
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

FIRST SESSION 2013 – 2018

HOUSE OF ASSEMBLY

Monday, March 18, 2013

Pursuant to the adjournment, the House of Assembly met on Monday, March 18, 2013.

PRESENT

His Honour MICHAEL A. CARRINGTON, B.A., LL.B. (Speaker)
Her Honour Mrs. M-J. MARA THOMPSON, B.A., M.Sc. (Ph. Ed.) (Deputy Speaker)
Mr. G. W. PAYNE, Q.C.
Mr. G. A. CLARKE, B.Sc., Dip. Ed., J.P.
Mr. R. St.C. TOPPIN, LL.B. (Hons.)
Hon. DENIS St.E. KELLMAN (Minister of Housing, Lands and Rural Development)
Hon. Miss M. A. MOTTLEY, Q.C., LL.B. (Leader of the Opposition)
Miss CYNTHIA Y. FORDE, J.P., L.C.P.
Hon. RONALD D. JONES, J.P., B.A. (Hons.), M.A. (Ed.) (Minister of Education, Science, Technology and Innovation)
Dr. the Hon. DAVID C. ESTWICK, B.Sc., M.B., B.S. (Minister of Agriculture, Food, Fisheries, Water and Resource Management)
Mr. DALE D. MARSHALL, Q.C., LL.B. (Hons.), L.E.C.
Hon. M. A. LASHLEY, LL.B. (Hons.) (Minister of Transport and Works)
Hon. R. L. SEALY, B.Sc., M.B.A. (Minister of Tourism)
Hon. FREUNDEL J. STUART, B.A., LL.M. (Prime Minister, Minister of National Security, the Public Service and Urban Development)
Hon. JOHN D. E. BOYCE, M.Sc., C. Eng. (Minister of Health)
Hon. STEVEN D. BLACKETT (Minister of Social Care, Constituency Empowerment and Community Development)

Mr. JAMES D. PAUL, B.Sc. (Chairman of Committees)

Dr. the Hon. DENIS S. LOWE, Ed.D., M.Ed., B.A., Dip. Theology (Minister of Drainage and the Environment)

Hon. ADRIEL D. BRATHWAITE, LL.B. (Hons.) (Attorney-General and Minister of Home Affairs)

Hon. STEPHEN A. LASHLEY, B.Sc., LL.B. (Hons.), L.E.C. (Minister of Culture, Sports and Youth)

Hon. DONVILLE O'N. INNISS, Dip., B.Sc., M.B.A. (Minister of Industry, International Business, Commerce and Small Business Development)

Hon. CHRISTOPHER P. SINCKLER, B.A., M.Sc. (Minister of Finance and Economic Affairs)

Mr. T. A. PRESCOD, B.A.

Mr. K. D. SYMMONDS, B.A., LL.B.

Lt. Col. J. D. BOSTIC, M.V.O., B.A. (Hons.)

Mr. E. G. HINKSON, LL.B. (Hons.), L.E.C., LL.M.

Dr. M. M. AGARD, J.P., B.Sc. (Hons.), D.D.S.

Mr. D. G. SUTHERLAND, B.Sc., M.Sc., M.B.A. (Dist.)

Miss S. J. O. BRADSHAW, LL.B. (Hons.)

Prayers were taken by Reverend Canon Ivan Harewood.

Mr. SPEAKER: This House is now in Session.

MINUTES

Mr. SPEAKER: Honourable Members, there are no Minutes available for our last meeting and I therefore ask for a motion that they be deferred.

Hon. J. D. E. BOYCE: I beg to move that the minutes be deferred.

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

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

FIRST READINGS OF BILLS

Hon. A. D. BRATHWAITE: I beg to move the first reading of the following:

1. Police Complaints Authority (Validation) Bill, 2013.

Hon. R. D. JONES: I beg to second that, Sir.

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

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that Standing Orders Nos. 6,16,18,20,42(5),43 and 44 be suspended for the rest of this day's Sitting.

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

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

GOVERNMENT BUSINESS

ORDER NO. 1 – APPROPRIATION BILL, 2013

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

Hon. C. P. SINCKLER: Thank you very much, Mr. Speaker, Sir.

Mr. Speaker, permit me to engage the attention of this Honourable House as I execute this very important responsibility as Minister of Finance in presenting the 2013 Appropriation Bill and the Estimates of Revenue and Expenditure that accompany it. I do so, Sir, with every appreciation to my constituency, St. Michael North West, for reposing confidence in me to represent their interest in this Chamber as part of this great Democratic Labour Party team.

I am mindful of the fact, Sir, that as I stand before this Chamber, I do so in a Chamber that is very much different in composition from the one when I last delivered the Estimates and spoke to that Appropriation Bill for the last year. Clearly, even without stretching the imagination we can agree that we still face very much the same challenges that confronted the last Parliament and indeed the rest of the population before our most recent date with electoral destiny.

Sir, the world's economy is still in deep trouble and struggling to recover from the world's worst economic recession. Our trading partners are still struggling. Deficits are still too high in many countries; debt levels are unsustainable; joblessness across the globe is still pervasive and poverty, a proverbial and persistent juggernaut is likely to get worse, perhaps even before it gets better. Even in spite of these and myriad other challenges, it would not be out of place for us as Barbadians to express our thanks to God Almighty for the many blessings He has restored on us in the past year.

We must be thankful that the economy in which we operate in spite of all of the doomsday predictions and the serious challenges which we undoubtedly face, has not collapsed like some around the world. We must be thankful as well that our social services by and large continue to be delivered to a deserving population at reasonably high standards. We must be thankful even that the general level of crime and violence, even though bothersome in patches are still at manageable levels, and low in comparison to most of the region and beyond. Equally, we must be thankful that the rights and freedoms which we hold so dear as a population are still intact and universally accessible to all.

Mr. Speaker, important as well, we should all be eternally thankful that once again as a nation, we have been able to execute our constitutional responsibilities to conduct free fair and democratic elections, and to install a Government by the people of the people and for the people.

No matter what our circumstances, we as a nation whether that be positive or negative, we as a nation can say that it is this feature of our democracy which will continue to the hallmark of our past success, the bedrock of current stability and the kernel of our future prosperity.

Sir, even beyond this, the intervening election has given us and especially this Democratic Labour Party Government a new mandate to not only continue to grow, enhance and protect the prosperity of all Barbadians, but to spare sometime, hopefully, to more deeply address some of the fundamental issues confronting our society and economy.

We are humbled by the confidence reposed in us, chastened by the challenges that lay ahead, but we are doggedly determined to continue and accelerate the pace, and reform and restructuring, required to rebuild Barbados economy and to build a platform for a more sustainable socioeconomic future for Barbados.

It is a challenge, Sir, that brooks no delay and that will continence no artificial divisions among us as it requires a 100 per cent dedication from all of us, whether family or community, business or customer, worker or

management, Government or private sector D or B. We believe that we have an opportunity to make a fundamental difference to what the future of Barbados would look like and we on this side believe that future can and will be bright, if we make the quality decisions which we have to now.

It will depend, Sir, on whether we want we want to rest our state on quick picks, to mean quick fixes or if we prefer to undertake genuine restructuring of the Barbados economy, whether we want to maintain the strength of our dollar against the US currency by maintaining adequate levels of foreign reserves to defend our currency or for sake, a dedicated programme of fiscal consolidation and debt reduction, however inconvenient and painful at times it might be.

It will be about whether we want to create a growth path by investing more of our national income in savings, in the productive sectors of tourism, international business and financial services, manufacturing, agriculture and the newly emerging exciting economic sectors of cultural industries and renewable energy, if we want to concentrate on short time spurts of growth, principally based on domestic spending in non productive activities or to raise the level of our productivity in those sectors that will create jobs and create a better economic environment for Barbadian. It will, Sir, be about if we have the fortitude as a nation to reposition our public services, to be more nimble, efficient or responsive to the needs of a more sophisticated and demanding population even as it grows.

These are the seminal that will be asked of all of us in this Chamber but not just here in Parliament, by the whole country as Barbadians continue to grapple with the effects of the worst economic recession, the world has known. In some ways, the electoral process gives us an early opportunity to canvass some of those ideas and the ideology behind them but it is from now that the real lasting solutions must be forged and timely interventions made.

My fervent hope is that now that the partisanship and the blame game have been properly and extensively canvassed, and the excesses of negativity and doomsday predictions have been aired and given their full ventilation that this week's debate will throw up a discourse focussed on solutions. To do less, Mr. Speaker, I contend and submit, would be a failure of effort, wastage of opportunity and an abdication of the responsibility to the people of Barbados who elected us.

This Democratic Labour Party is ready, willing and able to accept this awesome responsibility. We invite our colleagues in the Opposition to do likewise. I cannot say that we are entirely confident that it will happen but we,

nonetheless, invite them to do so with all genuineness. The people of Barbados will confirm, in the end.

It is, Sir, with this firmly in mind that I now crave the indulgence of the Honourable Chamber to lay out the fiscal programme for the Government's 2013-2014. In doing so, Sir, it would be remiss of me if I did not establish the contextual environment against which our report on the performance for 2012 is cased and framed the veritable realities that will likely govern our proposed intervention over the next 12 months or so, Sir, if you can deny that 2012 was a difficult year all around for many including, including Barbados. Indeed, from as early as the second quarter of last year, there were early signs of deceleration in global economic output, continual instability, social instability and weakening in confidence in global demand, especially among our key trading partners.

To be sure, Mr. Speaker, by the beginning of the Fourth Quarter even some of the bigger emerging developing economies that had hitherto weathered the economic and financial storm, were reporting worrying reductions in their levels of growth and this, it is said, was as a direct result of the dramatically less than expected growth performance from the main industrial economies in Europe, the United Kingdom and the United States of America.

In 2012 the IMF, is estimating that the world's fastest growing economies such as China, India and to a lesser extent Brazil, all showed signs of slowing above what was experienced during the worst times of the global crisis.

China's rate of GDP expansion for example is estimated to have dipped to about 7.8 per cent in 2012. The worst performance according to their Government, in 13 years in the face of weaknesses at home but especially in key overseas markets from which they draw.

Meanwhile India, which recorded GDP expansion on average of about 6.5 per cent throughout the course of the crisis from 2007/8 recorded a 4.5 per cent expansion in 2012, showing signs again of decline.

Brazil, the great Brazilian economy of which many have trumpeted, recorded a decline of growth from 1.8 per cent in 2011 to just 1 per cent in 2012.

This mean that the global economic growth in 2012 basically remained the same and in fact, fell slightly below 2011 levels and this, Sir, was very evident from around and I said, the second part of the year and as Governments both developed and developing tried to adjust their national budgets to compensate for the anticipated worst performance in revenue intakes and the resultant slower fiscal consolidation.

The World Bank much like the IMF, on the other hand established a direct correlation between the slowing global output to the continuing struggles of the more industrialised and advanced economies. Within the United States of America economic activity rose only marginally to 2.3 per cent compared with 1.8 per cent in 2011.

This economy of course as we know, Sir, we see it every day on the cable news and the internet continues to struggle to regain its footing to pre crisis levels and the uncertainty in its fiscal programmes with the fight between the Republicans and the Democrats are not contributing to any great improvement in investor confidence.

In the United Kingdom economic activity is projected only to have grown by 0.2 per cent, compared with 0.9 per cent in 2011 as the economy continues to observe constrained private consumption as well as efforts to restore public and private balance sheets, which have had an impact on domestic demand.

In Canada one of the economies that we heralded as a bulwark in the economic crisis continues to show declines in its growth levels, as a result of financial and economic linkages to the United States of America which itself, as I said, Mr. Speaker, was still continuing to have problems. The implementation of a fiscal consolidation programme in Canada also resulted in job losses, and a cut back in Canadian demand.

In the Euro Zone what can be said, Mr. Speaker, economic activity fell by 0.4 per cent compared with an increase in the previous year of 1.4 per cent. Major contributors to this downturn were:

Italy, negative growth of 2.1 per cent

Spain, negative growth of 1.4 per cent

The outlook for the Euro Zone area remains of course, Mr. Speaker, very uncertain and challenged as they continue to tackle the persistent problems of the sovereign debt crisis, fiscal and financial instability and high levels of unemployment.

Latin America and the Caribbean region generally as they are called, witnessed slow growth which declined from 4.5 per cent in 2011 to 3 per cent in 2012. Of course, the major contributor to that was Mexico, 3.8 per cent and Brazil just had a 1 per cent as I said, expansion.

Inflation in the advanced and emerging developing economies declined due to low commodity prices as a result of a slow down in global activity. Moreover, core inflation remained reasonably low. During the period under review consumer prices for the advanced economies were estimated at 1.9 per cent, while for emerging economies it

was 6.1 per cent. Inflation remained high in the Middle East and North Africa 10.4 per cent. In Southern Africa at 9.1 per cent, while moderating in the Commonwealths and Independent states to 6.8 per cent.

Employment wise, the International Labour Organisations (ILOs) Global Employment Trends, 2013 Estimates, so that global employment for 2012 stood largely at an average of 5.9 per cent, unchanged from the figure a year earlier but this was still above the rate of 5.6 per cent at the end of 2007.

The number of unemployed persons was estimated at 197.3 million in 2012 relative to the 193.1 million a year earlier. During the period under review, unemployment rates in the developed economies and in the European Union remained unchanged and, of course, elevated with the average unemployment rate of 8.6 per cent in 2012 compared to 8.4 per cent a year earlier.

Similarly, despite a decrease of 0.5 percentage points, unemployment rates in Central and South-eastern Europe and the Commonwealth of Independent States remained high at 8.2 per cent which is 2.3 percentage points higher than the estimated global average, as I said, of 5.9 per cent. In Latin America, the average rate was 6.6 per cent and in Sub-Saharan Africa it was 7.5 per cent.

In terms of our own region, Mr. Speaker, it is interesting to note from the Caribbean Development Bank that while there were indications that the tentative recovery evident in 2011 continued somewhat in 2012, it was at a lower pace as the weak global demand translated in sluggish private sector activity that constrained Government's ability to provide desired levels of fiscal stimulus. According to the Bank, economic recovery in the region was led mainly by the commodity-based economies and to a lesser extent by some of those in tourism. However, overall growth was insufficient to reduce unemployment and remained stubbornly high across many countries.

Constrained revenue performances on the backdrop of high deficits and debt levels continued to negatively impact employment creation programmes even though job creation continued to be a policy priority for many Governments. The region continued to struggle to find its economic footing in 2012 as average output slipped to 1 per cent from 1.2 per cent the previous year. The growth momentum stalled in some while recording actual declines in economic activities in others. In the Eastern Caribbean Credit Union countries, or the OECS countries as we call them, growth contracted by 0.71 per cent. Brazil and Guyana were the region's two top performers in 2012 supported of course by strong outturns in agriculture and mining respectively. Increases in GDP were recorded in the Bahamas, British Virgin Islands and Haiti and of course

Trinidad and Tobago slightly. Growth in Trinidad and Tobago averaged 1.2 per cent on the basis of a stronger performance in the services sector against a backdrop of declining production in petroleum sector. Antigua and Barbuda grew marginally during the year while output remained flat in Barbados as reported by our own Central Bank and as we will hear later.

These were constrained by poor outturns in key tourism and construction sectors. Output fell in Antigua, St. Vincent and the Grenadines, Dominica, Grenada, St. Lucia, Montserrat and Jamaica driven primarily by weak aggregate demand associated from a fall off in private sector investment, lower tourism returns alongside fiscal consolidation and concomitant reduction in capital expenditure outlays.

Reduced growth was also associated with supply side reductions in the fall of hotel rooms, natural disasters and declines in the forestry sector. Moreover, there were disruptions in production in mining activities and a slowdown in public investments owing to uncertainties from these and other events.

The economies which were net producers benefited from favourable commodity prices and in particular gold and energy prices. Of course, we know who those economies are. In the frame therefore, Mr. Speaker, that we are considering here in terms of the environmental background for what happened in Barbados, one can clearly see, not just further afield but also right next door, that economic growth, output and other things associated with that during the last year posed to be extremely difficult.

The modest recovery in the growth markets coupled with stronger destinations marketing provided some impetus for tourism in some countries in 2012 although it was still very slow and challenged. In many countries in particular, for example, in Grenada, output in tourism arrivals and value-added fell by 5.1 per cent, 2.1 per cent in Anguilla and 2 per cent in St. Lucia. This, Mr. Speaker, can go on and on.

Mr. Speaker, when people point to Barbados and say that it is only in Barbados that these things are happening, it is only in Barbados that there is a decline in tourism or that tourism value-added is falling, this is not necessarily the case, it really is not. This is a reflection, Mr. Speaker, according the Caribbean Development Bank and the countries themselves, from a combination of a reduced airlift particularly out of the United States, a contracting United Kingdom economy and the adverse effects of the air passenger duty on flights out of the United Kingdom. The 2012 Olympics in London as well as the run up to the United States of America election, which we all know from previous experience impacts performance in tourism in the

particular years in which they fall, all contributed to a dampening of north-south travel over the period. The high cost of interregional travel would have constrained many Caribbean persons from visiting their sister islands, of course, including Barbados.

One of the interesting things, Mr. Speaker, is the whole question of cruise tourism. Cruise passenger arrivals to destinations in the southern Caribbean continued to be severely and adversely affected by the redeployment of several cruise vessels particularly during the summer months to more lucrative markets in Australia, New Zealand and the Mediterranean. As a consequence, apart from Jamaica, the Bahamas and the Cayman Islands, which registered reasonably good levels of growth, 6.1 per cent, 8.3 per cent and so on respectively for that period up to November 2012, all of the other countries, particularly those in this part of the world, Dominica, St. Lucia, St. Kitts and Barbados recorded declines in excess of 10 per cent, so therefore again, Mr. Speaker, we are not in a class of our own when it comes to these things. In fact, we know years ahead, because the scheduling for many of these cruise ships companies occurs years ahead, that because of the high cost of fuel, because of the expense of coming all the way down to the southern Caribbean they are going to try to cut that cost by redirecting ships to Central America, as I said, to the Mediterranean and other parts of the world.

Sir, we market, we meet with them, we cajoled them, we perhaps even bend them but the reality that the economics and the finance of cruising have changed so fundamentally that in fact many of these companies are looking at their options in terms of where to go. If sailing a ship down to the southern Caribbean means more money and less profit, then they are going to move the ships and they have in fact been doing so, so it means that we really have to relook what we are doing in this regard. Mr. Speaker, you will hear about some of what the Government proposes in this particular regard as time goes on.

Mr. Speaker, we are seeing a picture being painted very carefully and very clearly that things, contrary to what people may want us to believe and contrary to what we may want to have happened, are not as rosy and as flourishing overseas as has been said. This is not an excuse, Mr. Speaker, for anything, this is the reality and the sooner we wake up to it and understand that the global economy is in fact a very different place, a far more difficult exercise to navigate and unlikely to return to the levels of the pre-crisis period then we would have fundamental difficulties making the adjustments that we need to make in order to keep the ship of state afloat in a way that we want.

I believe we can look at those unemployment levels again. I do not propose to read out all of them, only to say that while we say unemployment levels in Barbados are high - and they are high when compared to what we would

have had before, even though serious research would tell us that prior to pre-2003, unemployment levels in Barbados on average has been above 10 per cent. Sir, that is a reality, Barbados has always had an unacceptable high level of unemployment. What happened up to the mid-2000s is that we had a robust global economy, very heavy foreign direct investments and extremely high Government capital works intervention, whether it was the highway, the Kensington Oval or the Supreme Court Building, all that created employment.

Asides.

Hon. C. P. SINCKLER: The Barack building. The nice things into which we know the last Government invested so much of the taxpayers' money that created the conditions for an expansion in activity to allow for greater employment. When those things came to an end and the crisis hit in 2007-2008 and foreign direct investment was not flowing in the way that we would have wanted it, those high investments in the high-end tourism projects were not coming as they used to before, then the downturn in employment and the rising in unemployment numbers persisted. Mr. Speaker, for example, unemployment in the Bahamas now stands at 14.7 per cent. In Jamaica, it is 14 per cent, and in St. Lucia it is being recorded on an annualised basis at 21.2 per cent. Therefore, the 12 per cent unemployment that we have in Barbados, while it is unacceptable and definitely has to be worked on and will be worked on in a very serious way by this Administration, certainly in this term, we have to be conscious of the fact that difficulties obtain elsewhere.

Fiscally, it is the same thing in the Caribbean, many governments continue to recognise fiscal deficits behind trying their best to hold their societies together. This is contributing to very high debt levels. As you know, many of us are now considered to be highly indebted countries and on the unfortunate list of the highly indebted countries, Barbados is one of them. We cannot hide from it but we know why we have ended up there in terms of the interventions which we have had to do and the fiscal deficits which we have had to run to try to keep the social and economic fabric of this society together.

Mr. Speaker, I will share with the Honourable House this very interesting piece of news, that even though countries have tried with fiscal consolidation programmes, for example, the Jamaican authorities had to raise revenues by increasing the general consumption tax by 1 per cent, by scaling back exemptions and curtailing public sector employment. In Grenada, for example, there were shortfalls in grants and external loan financing which created extreme liquidity issues for the country over the course of the year. The new Government in St. Lucia, in attempts to provide fiscal stimulus through tax concessions, tax breaks and exemptions, (a.k.a. money in your pocket), as well as

through employment creation programmes resulted in a widening of the overall fiscal balance and precipitating an uptake in the country's debt to Gross Domestic Product to uncomfortable levels. Sir, by November, by admission of St. Lucia's own Prime Minister on public television, the fiscal deficit of the country had moved from 7 per cent in the previous year to 10 per cent Gross Domestic Product, being one of the highest in the region. Some estimate is that it is likely to end up the year at 12 per cent Gross Domestic Product.

Mr. Speaker, I will say that again. In attempts to provide fiscal stimulus through tax reductions, exemptions and the like, as well as through short-term employment creation programmes - this is the new Government - resulted in a widening of the overall balance and precipitated an uptake in the country's debt to Gross Domestic Product ratio to uncomfortable levels. A word to the wise, I think, is more than enough.

Mr. Speaker, in the context of all this, in this environment, troubled as it is, it is no wonder that the Barbados economy itself continues to experience problems, not unlike what we have heard around the rest of the world and right here in the region in 2012. The impact was particularly acute, given the real sluggishness and actual declines in economic performance and a recovery in our major trading partners. As a result, Real Gross Domestic Product is estimated by the Economic Affairs Division to have reached 0.2 per cent or basically flat for 2012, when compared with 0.8 per cent in 2011.

Mr. Speaker, an overall weaker than expected performance was aided mainly by the performance in the non-traded sectors, this grew by 0.7 per cent in 2013, following a growth of 1.7 per cent a year earlier. This growth was attributed to improve activities in business and in the other services subsectors which was 2.4 per cent over the previous year. Notably, however, because of a falloff in that level of foreign direct investment to which we are accustomed, the construction subsector fell by 6.7 per cent.

Foreign exchange reserves, however, benefitting from robust management by the Government and monetary authorities stood at \$1.5 billion at the end of December 2012, a reserve cover of approximately 18 weeks of imports above the recommended minimum of 12 weeks.

In relation to the traded sector, activities declined by 3.6 per cent in 2012, compared to a falloff of 3.7 per cent in 2011. Valued-Added in tourism is estimated to have declined by a corresponding 3.6 per cent. Long-stay arrivals, much like the case in many of the countries similar to Barbados, fell by 6.2 per cent, while cruise passengers, fell by 14 per cent for the January to December period, 2012, when compared with the previous year. This was due in large part to a weaker performance in the United

Kingdom source market, which witnessed a triple hit due to a decline in economic performance in the United Kingdom, increases in the Airport Passenger Tax and the Summer Olympics.

We had to do with all three of those situations converging at the same time, then, unfortunately, while the falloff in airlift also contributed, somewhere towards the middle of the year we then had the closure of the Almond Resort, which brought quite a number of tourists out of the United Kingdom market into Barbados.

Mr. Speaker, equally, a less than robust recovery in the United States of America, together with negative impacts of the US General Elections and of course Hurricane Sandy on the eastern seaboard also worked to depress the numbers out of our second largest source market, while the Canadian market softened as growth levels in Canada waned behind a strong fiscal consolidated programme that resulted in job losses in the public service in Canada throughout 2012.

Mr. Speaker, as could be expected and with most of our regional partners struggling, levels of arrivals from CARICOM would have declined. As a strong proxy of Gross Domestic Product output, the industrial index of production rose by one point, to 1.3 per cent at the end of 2012, when compared with a similar period up to the end of August 2011.

Manufacturing output decreased by an estimated 1.7 per cent for the period ending September 2012, when matched against the Index of the previous month. This again gave an overall decline for the year, estimated at 2.5 per cent.

In the international business sector the number of licences issued during 2012 totaled 567 as compared with 616 at the end of 2011 representing an eight per cent falloff in overall new company formations. There were 393 new international business companies licensed during the year compared with 508 in 2011 and this represented a decline of 22 per cent, and societies with restricted liabilities new licences totalled 27 at the end of December 2012 just one less than the number recorded in 2011.

Mr. Speaker, at the end of 2012, the average rate of inflation was estimated at 4.5 per cent compared with 9.4 per cent at the end of 2011. This reflected the past due effect of moderating oil and commodity prices on the world market. Sir, as we know, unemployment continues to display numbers that are uncomfortable with us, with the unemployment rate settling on an annualised basis of 12.1 per cent across the year.

Mr. Speaker, in the financial sector, banks remain stable, as we heard in the recent stability report, and

reasonably well capitalised. Interest rates remained stagnant throughout 2012 and as a result of a depressed loans demand in the financial system liquidity remained fairly solid since the crisis started back in 2008 and, Sir, last year was no different.

Mr. Speaker, at the end of 2012, while interest rates on Treasury Bills remained flat, both domestic deposits and cash level in commercial banks improved in 2012 when compared with the previous year and, therefore, Sir, against this backdrop, we now can report to the Honourable Chamber the performance in terms of our fiscal outturn.

Mr. Speaker, this is very interesting and, therefore, I invite Honourable Members to pay very close attention because it is a little unfortunate when we do get the dissemination of information that is not exactly accurate and clear from persons who, frankly in my view, should know a little better.

Mr. Speaker, as can be expected, with a slowing of economic output to generally flat levels in 2012, the fiscal out-turn would have suffered a direct negative impact. This was immediately evident in a lower than projected revenue intake and a concomitant negative impact on the guided MTFs targets which we have established for ourselves in the Medium Term Fiscal Strategy for 2012/2013. The original budget programme for the fiscal year 2012/13 was designed to produce a deficit on a cash basis of 4.4 per cent of nominal GDP at market prices calculated on an international financial institution's basis. On an accrual basis, the net operating balance was projected at negative 3.5 per cent of GDP. The key macro variable upon which this fiscal programme was based, if you recall, Mr. Speaker, were calculated on a fiscal year basis with the following assumptions: real economic growth of 0.5 per cent and nominal GDP growth of 3.8 per cent; a GDP deflator of 9.6 per cent; inflation of 9.4 per cent; import cover goods and services of 16.4 weeks; tourism GDP of 3.8 per cent; traded sector growth of 3.4 per cent and growth in retained imports on a fiscal basis of 4.4 per cent. Sir, retained imports were estimated at \$2 927.7 million.

Mr. Speaker, the fiscal programme for 2012/2013, approved by the Parliament on March 16, 2012, showed a projection based on these assumptions of current revenue of \$2 656.1 million. Current expenditure exclusive of amortization of \$2 933.7 million and capital expenditure of \$272.3 million. While the projections on an accrual basis projected a net operating of negative \$326.8 million when converted to the cash basis, the projection for the fiscal deficit was \$412.7 million. The overall deficit inclusive of amortization was expected to be financed from foreign sources in respect of capital projects inflows estimated at \$229.4 million and \$754.9 million from domestic sources. (5:05)

Mr. Speaker, it was originally that current revenue of \$2 629.7 million would be collected during 2012/2013 fiscal year. Provisional data from the Accountant-General for the period April 1, 2012 to January 31, 2013, showed that the Government collected current revenue of \$1 877.2 million, a decrease of \$111.7 million or 5.6 per cent less than the current revenue for the same period for the fiscal year 2011/2012. It is projected by the Accountant-General based on the provisional information that we have that \$213.9 million and \$329.6 million would be collected for February 2013 and March 2013 respectively to yield a revised current revenue of \$2 420.7 million.

Mr. Speaker, Sir, the amount of \$2 420.7 million, which is expected to be collected, as I have said, for the whole of fiscal year 2012/2013 is \$81.5 million or 3.3 per cent less than the actual amount collected for the previous fiscal year 2011/2012. Mr. Speaker, Sir, I will read that again. The amount of \$2 420.7 million which is expected to be collected for 2012/2013 is \$81.5 million or 3.3 per cent less than the actual amount collected for the previous fiscal year. It is not \$150, it is not \$175 and definitely it is not \$235 or \$237 as we have seen reported elsewhere, Mr. Speaker, and said with such confidence and determination as though it was true.

Mr. Speaker, Sir, I have said clearly and I have painted the picture as to what has transpired in the global economy and in the regional economy and the knock-on effects in Barbados. I have said what the assumptions were in terms of our growth both in GDP and in terms of growth in our productive sectors and the impact which they would have because Estimates, at the end of the day, are just projections. They are estimates based on what we assume will likely happen in the course of the year and since you, Mr. Speaker, me, the Leader of the Opposition or anybody else has any particular control over what may transpire in the global economy and the impact which it will have on Barbados, it means therefore that assumptions aside, we have to take the fundamental reality of what we are dealing with and, therefore, Mr. Speaker, Sir, whilst this Government makes no excuses for what has happened, this is the reality.

Mr. Speaker, therefore, it does not mean that it is the end of the world and it does not mean that it is lights out for us but, Sir, I am going to come to the \$81 million that we lost because it is very interesting where, in fact, we have lost this \$81 million.

Mr. Speaker, taxes on properties are expected to increase for the corresponding period by a very marginal \$0.8 million to \$151.4 million while taxes on goods and services are expected to decrease by \$55.1 million to \$1 166.2 million merely due to decreases in the VAT. This can be attributed firstly to fact that businesses have been opting to use free available credits to offset payable and, secondly,

because some businesses as we know, have filed returns but were unable to pay owing to cash flow difficulties. Sir, taxes on incomes and profits are expected to decrease by \$51.3 million or 6.6 per cent for the corresponding period last year.

Sir, This is mainly due, Sir, to a decrease in income tax, not tax from corporate profits, income tax of \$49.9 million, \$50 million odd, a decline in income tax largely due as a result of a loss of revenue from the reduction in tax rates and the changes in the tax bands, which we implemented in the Financial Statement and Budgetary Proposals last year. This came into effect on August 1, 2012.

Mr. Speaker, I have to make this point because I think this is important for the country to hear, even though the Opposition might not want to hear it, some of them. We have heard all of this discourse. We went through an entire election period but we heard it before, and no doubt will hear it again during the course of this week. Somebody called it cold soup warmed over, but we will hear it, this money in your pocket. You need to reduce taxes on persons to give them a chance to go into town and shop. You need to increase domestic demand. Take the foreign reserves, convert them, give them to people and let them get their nails done and their hair done. Well, I will agree with that in some respects because a little hair cut here and there and a brush is not a bad thing after all, that we could introduce some people to.

Sir, the fact of the matter is this. The allowances which we taxed in 2010 brought in for us roughly \$25 million, between \$25 million and \$27 million. We adjusted the tax bands because allowances went to a very select few people in the workforce, both private and public. We adjusted the tax bands, expanded the category of persons who would benefit; reduced the rate of tax; spent \$50 million putting money in people's pocket. Sir, not at the insistence or the encouragement of the Opposition but because we felt it was the right thing to do in difficult circumstances.

In fact, I would make bold to say some persons in the workforce, certainly in the public sector, got increases because of those adjustments over and above what would have happened if we had a regular salaries and wages increase with the union, based on what we would have said we could have afforded or not. So money was put in people's pockets. Some people got as much as \$250 more a month, money in your pocket.

Mr. Speaker, the question is, after...because people were saying, including the Opposition, restore the allowances, restore the allowances, restore the allowances. We went further than restoring the allowances. We gave \$50 million more. We did not even trumpet this on the

campaign trail. We did not even trumpet this and blaze it all over, got a plane and wrap red cloth around poles and all of that. We did not have to do that because the people of Barbados knew what we did for them and quietly did for us what they had to do.

Sir, the reality is, all of this about giving back money, we gave back money. I ask the question today...

Aside.

Hon. C. P. SINCKLER: Mr. Speaker, I am not getting sidetracked. Even in spite of the money in your pocket thing, which we did quietly, I ask the question, where is all of this spending that they claimed is going to occur when you put money in people's pocket? Where has it happened? What have they done with the money? I think I know what Barbadians would have done because I know what I did with the little bit I got. I paid some bills. I met some commitments and I tried to keep my household in a state that we can at least live reasonably comfortably. That is what I did with mine. I know most Barbadians would have done that with theirs because throughout the difficulty of this crisis with which we are faced, people have had to bear some pain. They have had to run up debts. They have had to run up credit cards. They have had to do these things. These are realities of life. We do not hide from this. We do not pretend that they do not exist. We do not exaggerate and make seem that it is worse than anywhere else in the world, when we know better. We gave those resources. I know Barbadians, frugal as they are, would have taken some of those resources and dealt with those things which are important. So this money in your pocket alluding that people are going to rush off in town and start bombarding the stores and spending money wild, it just does not fit the psychological profile of the recessionary drag. It really does not.

Therefore the continuing championing of this as though it is a panacea, that is why I said we have to be very careful in this session of Parliament not to go for this proverbial quick pick, that you go to a gas station, to put \$15, \$20 or \$100 in gas in your vehicle, you get back \$2 change, then rush in to say you want a quick pick hoping you are going to win some big lottery. We cannot take chances with an economy that is not lotto. We do not get into the quick pick politics. It does not work. It sounds good. It might make some people feel good but at the end of the day it is bad economics, because the real future of the Barbados economy is in restructuring it, putting it on a more sustainable footing. That is where it has to go and I am going to get to that. Sir, the point I am making is, we did it. We did the money in your pocket thing. I do not think that the multiplying effect has been seen or felt. In fact the evidence shows it really has not.

Now in the previous year when we added the taxes on allowances and there was no money in your pocket... there is a raggae song, "Money in Your Pocket and you just can't get no love". I dedicate that to the Leader of the Opposition.

Sir, the fact of the money is, the previous year we collected more revenue, and I am going to come to that too, when we had all the taxes to help the economy of Barbados in terms of reducing the fiscal deficit. We came the next year and we made some adjustments to help increase demand and did these things people said we should do, and gave Barbadians an ease which is more important and the effect has not worked out as all of these brilliant economists who are running around here in Barbados trying to give the impression.

I do not advise the Opposition on what to do. That is for them. I would change the economic advisor but that is not for me to do. That is not to say.

Mr. Speaker, I go on. Special receipts are projected to decrease by \$25.8 million to \$25.4 million, or 50.4 per cent, and this was due not to a real reduction but because we had to do a per year adjustment on a transfer which was given to UWI, which should have been booked in the previous year but was not, and we brought it on in the year. That is what caused that decline.

Taxes on international trade, that is through the Port, realised a \$99.6 million, an increase of \$3.9 million, or 2 per cent, over the corresponding period for the previous year. Sir, I go now to expenditure. Again, this is interesting based on what we have heard.

Mr. Speaker, the provisional data from the Accountant General for the period April 1st to January 31, 2013, in case the Government incurred current expenditure of \$2 839.5 million inclusive of amortisation; an increase of \$192.8 million or 7.3 per cent over the current expenditure for the same period in fiscal 2011/2012.

It is projected, Mr. Speaker, that \$306 million and \$336.8 million will be spent during February and March 2012 respectively to give a revised current expenditure, inclusive of amortisation of \$3 482.3 million. This will then adjust the actual increase in expenditure to \$19.8 million more than was approved on a cash basis for the previous fiscal year; \$19.8 million and, Sir, I think that is a tribute to the discipline of the Government.

Asides.

Hon. C. P. SINCKLER: No. I am serious.

Here it is, Mr. Speaker, we were in an election year and I believe this must be the first time any administration,

Sir, in recent memory, has gone to back in an election, not behind a ballooning of election spending and fiscal expansionary policies, not like how it was done in 1999 and even in 2003 when the last administration rushed into Parliament and passed Supplementaries of \$9 million and \$10 million for Urban Development Commission and Rural Development Commission, not like the last election when they went and agreed to do a road programme with Rayside and C.O. Williams that did not have Parliamentary approval and roads were being paved. They said they were paving them because it was so rushed a lot of them caked up and we still had to come in and do them, in St. Philip and parts of St. George in order to retain seats which they eventually lost anyhow. We came in an election and people were holding their breath saying we hope that this Government does not go on an election splurge. Mr. Speaker, the facts will show that this Government went to back in an election and fought on ideas, fought on record, and won.

Asides.

Hon. C. P. SINCKLER: We did not have to break the bank and go on some wild spending splurge to win seats.

It disturbed them, Sir. I know it disturbed them because up to now, Mr. Speaker, they cannot imagine, they cannot believe it, they have not gotten off it, the members of the Opposition. Even in Church, Mr. Speaker, they are still saying they cannot believe and it is regrettable.

Asides.

Hon. C. P. SINCKLER: I know it was in church that was regrettable that you lost an election. You should be thankful for life - regrettable that you lost an election? But election is election; you win, you lose. You lose, you go home or you come in Parliament and you perform your role. It is regrettable that you lost an election. I am thankful for life today, Mr. Speaker. Life is very shallow nowadays. When you get up on mornings, Mr. Speaker, and you see the sun, you thank God for it, even if you have difficulties. You are not going to go to Church and talk about it is regretful; you thank God for small mercies, accept the will of the Barbadian people and move on.

We did not have to go splurging to win an election. We knew as they say, in the religious and spiritual circles that the work which we did as a Government made our victory election sure.

Asides.

Hon. C. P. SINCKLER: Sir, we did not have to go fiddling around here and fiddling around there and trying to create impressions and give optics, putting down bitumen

on roads that are not properly laid for it and then watch it coming back up and the little children using it to pelt rocks into mango trees. We had to do all that; that was not what we were. We chose to be disciplined and therefore expenditure only increased by \$19 million; that is all; so you see where the problem is, Mr. Speaker.

Expenditure on goods and services is expected. This is the only way when you really want to do election spending, this is where you go to, goods and services. It increased by \$2.1 million or 0.5 per cent and that is responsible management in terms of the public finances because the lure of getting additional few seats or whatever, may lead you to do those things. Sir, that amount of \$398.5 million was achieved even though we had Supplementaries of \$26 million to the National Housing Corporation to cover rents for private properties that the Government is occupying to give reasonable and comfortable surroundings for public servants. This is another one of the things that we had to come in and deal with, in terms of public servants operating out of sick buildings.

Sir, \$2 million to cover the road works under the Neighbourhood Upgrade Project. I think, Mr. Speaker, part of this would be in your constituency in the Garden Land in particular. Sir, \$2.1 million for the Barbados Drug Service and, Sir, \$6.3 million for the HIV/AIDS Project which of course is done on a reimbursable basis; we spend, we get back in terms of those activities with the HIV/AIDS Programme that we do with the World Bank.

It should also be noted, Mr. Speaker, that in all requests for Supplementaries the relevant Ministries were asked to find identifiable commensurate savings in their budgets to reduce the impact on the fiscal deficit.

Current transfers are expected to have increased by \$76 million, Mr. Speaker, or 7.5 per cent from 2011/2012 to \$1 094 million. The following Supplementaries were provided during the year and look what they were provided for:

\$10 million for the NHC to cover NIS contributions because of their indebtedness to the Fund. \$44.5 million for the QEH and there is also a supplementary for \$20.5 million which has not been approved by Parliament because the last Parliament died before it could come and it will come, Mr. Speaker, before we conclude for the Easter break at the end of this session.

A total Supplementary therefore allocated as follow:

\$24 million to cover QEH monthly operations for the rest of the financial year. \$22.1 million and \$18.1 million to cover NIS and PAYE, payments respectively. \$45.5 million for the Transport Board to settle outstanding NIS

arrears, pay outstanding amounts to creditors and meet operational expenses for the rest of the year. \$15.8 million for the Energy Division to provide subsidise diesel to manufacturers, farmers, fisherfolk, PSVs and the Transport Board to some extent.

Mr. Speaker, we did that before the last Parliament died, even though there is this popular belief that we did not give any relief from the high energy prices to those key economic sectors. It is not true. We keep saying it is not true but some of the Members of the Opposition keep repeating it, saying that is not done and that is not true.

Total debt payments, Mr. Speaker, for 2013 are expected to be \$134.6 million or \$13.7 million more than the previous year. Total interest costs are projected at \$569.2 million, an amount of \$41.9 million more than recorded than recorded for 2011/2012, while amortisation payments are expected to increase by BDS\$92.7 million.

Mr. Speaker, the bulk of the increase in expenditure really came from the debt payments and the amortisation payments; interest and amortisation. This is really where the issue is and where we have to focus our intention, in terms of bringing the deficit down and bringing those debt payments down and then we incur debt to do so for productive uses, of course, that can create jobs, create economic activity and do other things for the country.

Revised capital expenditure:

Capital expenditure is expected to increase by \$6.9 million or 7.5 per cent to \$98.8 million in 2012/2013. This amount is also for the \$3.1 million less than the amount approved for the previous year.

Capital assets are expected to increase by \$17.4 million to \$49.9 million in 2012/2013. This amount is however expected to be \$36.4 million below what was approved for the previous year.

Capital transfers are expected to decrease by \$11 million or 20.4 per cent to \$43.7 million. This amount is \$7.7 million less than the amount approved for the financial year.

It should be noted that an amount of \$5.6 million less was approved in 2012-2013 as compared to 2011-2012. Acquisitions are projected to be \$5.2 million, an increase of \$0.3 million over the amount for 2011-2012. The amount is also \$0.3 million less than the amount approved for 2012-2013.

As regard the revised fiscal balance, Mr. Speaker, current revenue of \$2 420.7 million is expected, of which \$2 279.4 million is tax revenue and \$141.3 million is non-tax revenue and grant income. Total expenditure is

projected at \$3 581.1 million of which \$2 935 million is current expenditure exclusive of amortization and \$98.8 million is capital expenditure. The revised deficit of \$613.1 million on an IFI basis represents 6.6 per cent of Gross Domestic Product at market prices. As regard the revised deficit financing therefore, in light of this, it is expected that \$161.7 million or 91.5 per cent of the \$160.4 million overall deficit would be financed by domestic sources. The balance of \$98.7 million is expected to be financed from foreign inflows partly in respect of the sale of the Barbados National Bank and externally-funded projects.

Sir, what we experienced in the last fiscal year stands somewhat in contrast to what we had in 2011-2012 when our performance on the fiscal side bettered the projections then for a deficit of 6.1 per cent by returning a deficit of 5.4 per cent slightly above the Medium Term Fiscal Strategy target of 5.7 per cent.

I think that this is important, Mr. Speaker, because when we brought the Medium Term Fiscal Strategy here, we were first told by the Opposition that it was the wrong strategy for fiscal consolidation, it was asking too much in too short a period of time, fair enough, and it was too sudden and then when we started to implement it, they say you need to do more cutting.

Of course, Mr. Speaker, the Opposition does not tell you where to cut. I heard some time recently a Honourable Member of the Opposition making the point that serious decisions have to be made, that difficult decisions have to be made. I lay down the challenge today, Mr. Speaker, in the spirit of what I said in my opening of cooperation between the two sides in finding solutions that the Opposition advice us what are these serious decisions that we must make. Tell us where these cuts are to go. Tell us what these serious decisions are, how many to send home, where you want them send home from, what to cut, which services to disband, which agencies to privatise and what damage eventually to do to the overall economy, just tell us. They went to church yesterday and got a blessing of cooperation. Mr. Speaker, just tell us. We want to know. We want to work with the Opposition and I want them to tell us where to cut. Do not just tell us to cut because I might miss and cut the wrong thing. Tell us what to cut.

Asides.

Hon. C. P. SINCKLER: I am very serious. I want to know from the Opposition and I am saying this with all genuineness, with all seriousness... I said at the beginning of my presentation that we need to lift the game. We agree that we need to lift the game. We agree that we need to cooperate. We agree that we need to share ideas. Do not just tell us how much money to put into people's pockets. If you say that we have to take tough decisions and cut, tell us what to cut, where to cut and how many people to send

home. Let me know and let me get a better understanding from the great economist where it is that you all want us to do these things and I promise that we would take them under consideration. I cannot promise we might do them but at least the country would get to understand where the Head of the Opposition is because it seems as though Members of the Opposition want to have their cake and eat it too. You cannot do that in this circumstance. You cannot say boost the man, give money, put money in people's pockets, explode your deficit but then say cut. You are not telling me where to cut.

You are very specific, reduce the VAT to 15 per cent, give back the allowances, take off excise tax on gasoline, reduce the VAT on electricity, do all of those things, some of the nice things that St. Lucia did that have them now in the fiscal difficulties that they are in with their deficit potentially of 10 per cent of Gross Domestic Product and that could go as high as 12 per cent. You gave us specifics on that, yet you say tough decisions have to be made but at the end of the day no specifics on the tough decisions.

I invite the Opposition... I mean if it is too difficult to speak, do like the Right Honourable Member for St. Peter and write it on a paper and send it to the Prime Minister of Barbados. We promise to reveal it at the appropriate time and we are not going to wait for an election neither. Send it, let us hear. I want to know who to cut, where to cut, when to cut and how to cut and then we would send you a note on our impression of what frankly needs to be done to restructure the Barbados economy and make it more competitive so that we could create more jobs and we would have a discourse on these issues.

These points need to be made, Mr. Speaker, because at the end of the day we are all, as they say in parlance, in this together. This is posted in terms of the figures that I gave me behind a stronger than anticipated performance on the revenue side especially in VAT. Mr. Speaker, this is the point that I need to make because we are going to do some comparisons here.

Sir, the politics of explanations need to be given because people get little pieces of information and this is left out and that is left out but they do not do comparisons. Sir, in 2011-2012, remember we increased the VAT to 17.5 per cent and it became effective fully from January 1st, 2011, we collected \$112 million more than in the previous year. For the 18 months we got in \$184 million more, that is a good bit of money and we know why we did it. Economic growth was slightly stronger then. Of course, you know when we first did it they said we would not get the money, you cannot get that kind of money but we got it. There was a 6 per cent expansion in tourism arrivals, tourism Gross Domestic Product was up and there was a

better performance in international business and financial services and of course construction.

Last year, of course, we know, as I said, that the growth is flat, we had a fall off in international business and tourism and so forth and so on and a slow rate of growth for Foreign Direct Investments (FDI).

It is not difficult, Mr. Speaker, to see or understand where and why a decline or a deficit reduction performance could have occurred especially when this was added to, in terms of our revenue performance, a perceptible decline in personal income tax owing directly to a reduction in the tax rates, an adjustment of the bands, as I said, to ease the burden on Barbadians so that where in 2011-2012 revenue from personal income tax grew by \$32 million in 2013, it is projected to decline by \$49.9 or \$50 million because of the changes which we made so that the actual revenue shortfall of \$81.3 million for last year.

Mr. Speaker, do you know that the \$50 million that we gave back to the public accounted for more than half of that? Sir, you see where the revenue decline came heaviest.

There was \$81 million decline, over \$50 million given back, that is where it came, so all of this list of questions that are being asked are really moot. If the people who ask the questions would take a little time to read and less time talking, they would understand these things, but that is par for the course, we expect that to happen.

Mr. Speaker, if you look at it, the revenue gains from 2012 would still outdo the revenue gains in 2010 when there were no measures in place, from the measures that were put in the Financial Statements and Budgetary Proposals, November 2010, by more than \$237 million. Sir, when you are talking, if you were to put back the VAT to 15 per cent, at the rate of expansion we have and with the difficulties we have in this environment, you would actually be taking close to \$237 million out of the Treasury.

Sir, that is just VAT, that has nothing to do with giving back the allowances, removing the Excise Tax on gasoline, among others, that is why we said during the elections, and we maintain still, that you cannot just do these things without proper study, analysis and consideration. It sounds good, give Tourism a \$500 million Fund, pay CLICO people all their monies, do all of these things and sweeten the pot; have a potpourri of veritable rubbish that at the end of the day would all be recklessness that would wreck the Barbados economy.

Mr. Speaker, I do not profess to have any great brain or to have all these fancy things in economics, but I know foolishness when I see it, even if it you put it in a red suit. We are not going to go there, we are going to work with the

people. We are not the fountain of knowledge. We do not pretend to have all the knowledge. We do not hold any title deed on knowledge. We have to open our ears, we have to appreciate what people are saying, you have to take their views, you may not agree with them all but at least you have to listen and that is what this administration is prepared to do what we will but we will not take reckless chances with the Barbados economy to win a Government, which certainly we did not do, neither are we going to do it for make beliefs and smokes and mirrors. We are not going to give people the impression that we can do all of these things - when we know that the context within which we are living, for instance, the global economy, the way in which things are happening have fundamentally changed. There has been a paradigm shift and the sooner we wake up and understand this and get on with the business of restructuring this economy, we are going to be stuck in a rut. We have been elected, it is our duty and that is what we are going to do. I think the Democratic Labour Party Manifesto, brilliantly written as it was, clearly outlines the path on which we are going to go in this particular regard.

Mr. Speaker, we welcome the contribution of the Honourable Members of the Opposition. The Honourable Member for St. Michael East has already signalled to me his strong desire to work with us, either here, there or anywhere and we will facilitate him. The Honourable Member is my friend and I have a great deal of respect for him.

Mr. Speaker, this is the point I wanted to make. If you look at the debt payments, and, in 2011 total debt payments decreased by 25.5 per cent to an amount over 2010, decreasing by \$378.5 million. Last year we had \$378 million less to pay debt payments. This year, as you saw, those increased by \$134.6 million. Therefore, while we were paying less for debt and had less of a debt burden then, this year we had a slightly more increased burden of 13.7 per cent, amounting to \$134.6 million.

Mr. Speaker, meanwhile transfers continue to be a bother, increasing to \$76 million. We know where these things are going so we do not have to pretend: the University of the West Indies, Queen Elizabeth Hospital, Transport Board and the National Housing Corporation to a lesser extent, the Ministry of Housing and Lands in particular because of the rents and other things that we have to deal with under private market which, in some instances, are really a little out of whack. Even those that are being charged by the National Insurance Board can be a little difficult to contend with and it is a matter that we have to address.

Mr. Speaker, we know where the issues are, this is where this Government is going to focus its attention this year. This Government is going to do a restructuring of those public institutions that require structuring, to make

them more efficient in delivery of service, to make them more cost effective and therefore less of a drag on the public purse. Mr. Speaker, we have to start this discourse and it is going to start from the end of this Estimates debate, in Government and outside of Government. What we are not going to do is to rush to make hasty decisions that can unravel the social fabric of Barbados. We have to put serious thought to this. Mr. Speaker, we know what we have to do and we will address those issues as they are necessary.

Mr. Speaker, I am not going to speak specifically to those things at this stage because there are Ministers on this side who have responsibility for those areas. I am not going to trample on their responsibilities, but I believe the Minister of Education, Science Technology and Innovation will speak to the issue of the University of the West Indies because that is something that needs to be addressed. Both his Ministry and my Ministry are working on it.

Mr. Speaker, I want to say in relation to the issue of arrears to the University of the West Indies, which has been already raised both inside and outside of this Honourable Chamber, is that we are working with the University of the West Indies, we are in negotiations with them and an orderly agreement towards the settlement has been made, verified and reconfirmed by the management of the University of the West Indies with the Government of Barbados, starting from the end of this month and beginning from next month, so we do not have to fear about that, that is being done with a reputable institution but there are issues we have to face there and we are going to deal with those issues, some of them will come out in this debate, otherwise it will come out in other places.

Mr. Speaker, contrary to what is being propagated by people, the record will clearly show that neither mismanagement nor deliberate mal-effects of Government policies was essentially responsible for the less than satisfactory fiscal out-turn in 2012. The situation for most across the world was difficult, 2012 was not a good year for fiscal consolidation or even for economic growth. That is a fact for many is a fact of life, we have to face it, own up to do, deal with it and get on with the job of repairing whatever damage might have occurred.

Mr. Speaker, there is a large point which I believe needs to be made, even before we move to the fiscal outlay for 2012-2013. Indeed, I submit that it will be critical not only to an understanding of why the figures we present are the way they are, but equally why they would allow us the space to forge ahead with the process of reform and adjustments, so eloquently laid out by His Excellency in the Throne Speech.

Mr. Speaker, at the start of my presentation, I alluded to the fact that as a country, we have now come to

the stage where we have to make serious re-calibrations in our approach to foreign development of our society and economy. Sir, this is needed now more than perhaps at any other time in the post-independence development of Barbados. Why is this the case? It is simple, Sir.

Mr. Speaker, the world in which we live has changed dramatically in the last five years and that is now patently obvious to even the less discerning that the world economy on which we relied so heavily for the boom in the years prior to 2006 to 2007 is now not what it used to be. Sir, it means that we cannot assume a return to sustainable economic growth among our closet trading partners in a big way any time soon. We have said that it was going to happen in 2010 and it did not happen. We have said that it was going in 2011 and it did not happen. We said it was going to happen in 2012 and it has not happened. Mr. Speaker, Sir, we will have to change position, poise, posture and assume that it is not going to happen in that way. The 4 per cent and the 5 per cent that happened previously that allowed us to benefit from increased demand, that allowed us to get more tourists and more investments, that is not coming back as quickly as we anticipate and therefore, we have to assume now that it is going to take much longer than we thought and therefore change our posture in terms of our economic policy in relation to what we do in that regard.

Mr. Speaker, it means that we cannot expect that our tourism and international business and financial services sector will automatically ignite a pathway to a quick recovery similar to those coming out of previous recessions and we should not assume that we can continue to borrow, or spend our way out a structural recession just as we will not be able to tax or cut our way out of the deficit issues that confront us.

Mr. Speaker, we have to accept reality that the process to a sustainable recovery, and the road to a sustainable economic recovery, and the building of a stronger, more efficient, social development complex here in Barbados lies behind our determination to institute structural reforms to keep institutions and processes and, of course, to policies as well.

Mr. Speaker, in the post-independence history of Barbados, our socio-economic development was backed by timely shifts in policy interventions by the State to engineer development outcomes best suited to the global environment in which the country was operating at the time. In the 1960s, the Barrow led administration determined that in order for Barbados to take economically and expand its horizons that heavy investments were required in building human capital through universal access to education, healthcare, social welfare and the like. These served to enhance the capacity of our labour market

resources and to drive higher levels of productivity in a diversified economy.

Mr. Speaker, Sir, by the late 1970s and into the 1980s, the Tom Adams' administrations were heavily invested in building out modern infrastructural platforms, through heavy investment in public highway systems, logistics, telecommunications and the general services economy. However, Sir, since the 1990s and until our very recent success in building a socio-economic platform has largely been based on investments in social development programmes geared towards maintaining the quality of life and standard of living of Barbadians. Indeed, Sir, if you were to take a cursory glance at the Estimates documents say for the past 10 years or 15 years, one would see that the bulk of national expenditure has gone towards social development activities while just a quarter of that expenditure has gone to what we classify as economic services.

Mr. Speaker, this is not to say that it was an unnecessary path or unnecessary activity because it has allowed Barbados to continue to rank very highly on the UN Human development Index of ratings of global countries and for this, we are very grateful. In fact, I believe this year, again, we have been listed as the number one developing country in this part of the world, and certainly in the English-speaking Caribbean even in spite of all the difficulties, and we have been listed number three for the whole region behind the United States of America and Canada and for the whole of the Americas.

Mr. Speaker, it is interesting to note nonetheless because the Barbados Labour Party to their credit, in terms of the numbers has occupied the seat of the Government in the post-independence period of Barbados and certainly in the last 25 years more than any other political institution in Barbados, certainly more than the Democratic Labour Party and had a long extended 14-year run in the period of plenty and boom in the world economy but it is interesting to note that in the last quarter century this country has not seriously invested in or rollout a new economic sector to drive the new frontier of economic development in the country.

Mr. Speaker, I will say that again because it is interesting that we have not really created any fundamentally new economic sector to drive growth in Barbados, to create new employment and to sustainable our economic growth going forward. We really have not done it, not since the late 1970s and 1980s with the emergence of the international business and financial services sector has any new economic sector emerged to push the process of diversification, create new employment and earn and/or save the country critical foreign exchange. Sir, we have not done it. When we had time and space, when we had money to burn, and we did burn it in many respects, we did not do it, so we are now sitting back relying on ostensibly the

same 1980s economy. We are relying on international business and financial services and tourism. We have gone and done some things in terms of differentiating at the top end but, Sir, that is not a new sector, that is differentiation within a sector. Sir, manufacturing is about 5 per cent to 6 per cent of GDP now and agriculture is traditionally bare. Mr. Speaker, Sir, not even in the sugar industry did we take the time when we had the money to restructure the sugar industry.

Mr. Speaker, I made the point in here that it is nothing short of incredulous that the last major reform in the sugar industry in Barbados even in the face of the changes to the common agriculture policy in Europe, when we know that we would have had these problems and, Sir, we heard about it ad infinitum. Sir, we talked and talked about it every Budget. We said that we had to do this, that we have to restructure this, and that we have to do all of that but not one iota of restructuring was done in the sugar industry in Barbados in 40 years and the last time it was done was under a Democratic Labour Party administration between 1991 and 1994. Sir, we had to waltz back into Government and face a sugar industry that is in virtual state of collapse because no appropriate structures were put in place either for the transition out of sugar or to restructure the industry. Mr. Speaker, Sir, we have no great economist on our side, according to some people because all the great economists are located elsewhere and we did not get. It was not produced, it was not them but, Sir, that is an isolated case. It is not exclusive to sugar, it is for the whole of the economy of Barbados, as you have seen. Sir, there was not a new economic sector, not in alternative energy, not in cultural industries, not in logistic, Sir, nothing. Mr. Speaker, Sir, there was absolutely nothing, not even in education where fundamental changes were required. Sir, that is why I do not speak to the University of the West Indies' issue because when you look at the reality of what we are dealing with ...

Asides.

Hon. C. P. SINCKLER: The Honourable Member for St. Michael North East has to take some fundamental responsibility for it because the Honourable Member is the longest Minister of Education in the post-independence history of Barbados. Sir, when we should have been building out capacity in our educational services at the mid tertiary level in sixth form, in the Barbados Community College and in the Samuel Jackman Prescod Polytechnic, we were not doing these things.

Mr. Speaker, the first new Sixth Form that was created in Barbados in how many years? I do not even know, Mr. Speaker, may be as long as I was living. It was really the Democratic Labour Party. The first Sixth Form, and we are going to do two more, I think the Minister of Education said, and one at Alexandra.

Mr. Speaker, Barbados Community College which has an explosion of persons going up there. I saw recent figures from the Ministry of Education that suggest which Barbados Community College can only take in either 33 per cent or 28 per cent. It is one of the two. Samuel Jackman Prescod Polytechnic and Barbados Community College can only take in 33 per cent of the applications which are given up there, 33 per cent. What were we doing? The Samuel Jackman Prescod Polytechnic, the same problem with capacity can only take 28 per cent of the applications which are made. Their students have to be turned away. Then you have a situation where those students now have to find themselves up at the University of the West Indies, when probably may be they should be at a Six Form school, at Barbados Community College or Samuel Jackman Prescod Polytechnic. Thank God for the Democratic Labour Party, we are going to change that starting this year with the construction of the new campus of the Barbados Community College, Samuel Jackman Prescod Polytechnic and the Hospitality Institute in the good parish of St. Lucy, at Nesfield, St. Lucy.

Sir, I am saying we were not preparing ourselves for the new economy. When the new economy dropped on us... of course the Barbados Labour Party had the convenience of being out of office. They had the resources to do it. When the Honourable Member for St. Michael North East was busy confusing the education enhancement sector project which, of course, came to an ignominious end due to misadministration. There was no vision. There is a saying, where there is no vision, the people perish. There was no vision to restructure sugar, no vision to introduce new economic sectors, no vision to expand the tertiary education services and opportunities. Therefore we have been piling up now with an increased cost of educating those students who should have been in Barbados Community College, Samuel Jackman Prescod Polytechnic and Sixth Form at the University of the West Indies to the tune of a hundred and somebody million dollars a year.

If you look at the trajectory of cost increases to the University of the West Indies from 2003/2004 it was \$50 million. Now they came up with this vision, this mantra of one graduate per household, which really should have been one tertiary level graduate it then turned out to be one university graduate for which now we have to incur the cost. Whereas our revenues are remaining flat or going down, we have cost going up. That is not the point. I am not here to discuss that. The point is, we did not do the work we should have done when we had the time, space and money to do it. Now the Democratic Labour Party by fate had to be called on by the people of Barbados to come and try to reengineer this thing in the most difficult of circumstances, troubled world economy, a hostile environment, declining of revenue intake, but we still have to do it. We do not shirk from responsibility. We will do it through creativity, through application and through a

dedication to purpose for what we know we have to do. This is a reality.

Sir, the downside of it has meant that more and more we have become reliant on the same things because we did not restructure tourism and international business and we know that these are some of the most opened and depending sectors on the global economy. If that goes up, they go up. If that goes down, they do down, or you are scrambling around, scratching around, trying to make these things.

Mr. Speaker, when our tax basis, by extension our revenue intake, has ostensibly remained the same, varying up and down depending on the fiscal stance of the Government of the day, our expenditures and our social programmes have remained constant and some aspects have grown.

Sir, that has been left for us because we have not restructured, we had to do an ingrain structure and balance in the Barbados economy and society that in itself is not so much a problem when things are good, when the world economy is flowing, but can and is presenting world challenges to sustainability now that we are having these difficulties and it has become cruelly exposed. Mr. Speaker, that is the inheritance of the Democratic Labour Party. That is what the Barbados Labour Party bequeath to us. We accepted the responsibility of it and we will have to face it and fix it, according to the Right Honourable Member for St. Peter.

Sir, the point I am fleshing out here is that the deficit which we face and the increasing depth burdens which they will fuel are really now deeply embedded in a structural way in our economy. So irrespective of whatever programme you do, whether it is the Medium-Term Fiscal Strategy, which is our strategy in our Manifesto, as explained in the Throne Speech and is properly laid out, which, of course, is a guide to what we intend to do, or if it is the money in your pocket version of increasing domestic demand, they will not bring about the types of adjustments to these problems as fast or as surefooted as required to produce sustainable economic growth, unless structural changes occur. This is even more the case now than we can concede by saying, as the global is not, is not in fact coming back.

Sir, where must this change come? It must come from all around, not just in Government because people feel that the only problem is Government. Everything is Government. Oh! The Government, the Government.

A fellow named Peter Puny, a consultant from the European Union, once said at a conference that the private sector needs privatising in many parts of the Caribbean, and in many respects I would say that is true. We need to put

our heads together, private and public, and deal with it. Not just public finances, but private finances, right down to the individual. How much debt we incur and what we incur it for, how we manage our finances, how we balance our budgets. There must be a nationwide discipline, a relook at how we do business from top to bottom. We have ostensibly at the end of day when all is taken, because the paper clip approach, as one of my friends will call it, to economic management in terms of... you cut here, you cut a little bit there, you stop buying two pens, that kind of thing is okay. That will get you somewhere and we have done a lot of that, cut a lot of the wastage out of the Government, but the fundamental fact is, we have to restructure the economy. We have to get new sectors and that is why, as you saw in our Manifesto, which I do not know if it was made a document of the House, I have the pride and privilege to make this wonderful document, well written, cogently thought out and beautifully presented. It is compulsory reading for the Opposition.

Asides.

Hon. C. P. SINCKLER: That is why we have said in here and as we said in the Throne Speech that a major plank of the economic reform process in Barbados has to be in creating an alternative energy platform for this country, because it affects everything. We are paying about \$800 million a year to import fuel for a country of 166 square miles, 270 000 people, too much and we cannot continue with that. Mr. Speaker, this year begins that mad charge, that rush, structured as it will be, to create sustain and build out an alternative energy sector in Barbados, in a way that will bring us real benefits in the medium term going forward. We know we are going to have to deal with oil prices for some time but we are going to deal with it by doing a sustainable thing.

We are also going to deal, as you will hear from the Honourable Minister of Culture, very shortly in this Parliament we will be bringing the Cultural Industries Bill.

I know a lot of people that are eagerly looking forward to that; all the so-called cultural experts. You know you would get a few people who would arrange a show here and a little show there and you put on a grass shirt and do two wuk-ups...

going to walk out of this Chamber as Government of Barbados with a fundamentally changed approach to how we look at the cultural industries.

Asides.

Hon. C. P. SINCKLER: Right down from music, drama to culinary arts to all the things that the cultural practitioners do, designing and so forth and so on, backed, Mr. Speaker, by that Cultural Industries Development

Fund, which I announced in a previous Financial Statement which is going to give, not just incentives but people real money to get on with the job of building their cultural industries; access to funding, grants, loans and all of those things that are required for that sector. This is where we are doing, Sir. We are going to build this thing from the bottom up and make sure that we sustain the Barbados economy going forward.

This administration has already signalled all intention to forge ahead with the alternative energy. Mr. Speaker, I can also say that this year, in fact, very shortly this calendar year, critical pieces of Legislation to drive that process are coming before the Parliament.

We know of the amendment to the electricity bill, or the new one that is going to come very shortly. The Attorney General and his team are now working feverishly to have that finalised, just a few things to be dealt with. That is going to be here. It is going to radically change the way in which energy is produced and consumed and moved around in this country. Then, we are going to match that with a compendium piece of Legislation to move all of the concessions, incentives and waivers which I announced in last year's Financial Statement and Budgetary Proposals, which many countries are calling every day at the Ministry of Finance to get a copy of because they want to do similar things.

We are going to bring a piece of Legislation, based on the advice of the CPC that we do not have it all over the place, that we put it in one body of Legislation and bring it here and it would be the first major piece of Legislation to drive and incentivise a sector in Barbados that we have ever seen.

Asides.

Hon. C. P. SINCKLER: Sir, that is coming to this House of Assembly, so we are not just talking, we are doing it and Government is going to take the lead in this particular regard, in reducing its energy consumption and certainly a Bill associated with it. Of course, these acts will trigger what we call PDL3, on the Interamerican Development Bank, the policy-based loan so that we can get on with building out that sector.

Equally, I am taking together, Mr. Speaker, the stronger investments in agro processing, increased food crop production, a stronger marketing and product development console for the BTA in tourism and in broadening of the service and product base and, of course, the treaty base of the international business and financial services sector, we believe that we will be effectively settling the macro level platform for a more resilient and productive Barbados economy.

In order for us to sustain these critical interventions, we must also at the same time shift the fiscal imbalance not only in terms of how public resources are allocated but importantly as well, where the spending occurs and where it impacts on our economy.

Understanding this challenge, Mr. Speaker, this administration has determined that we must recommit ourselves as we said in the Throne Speech and in our Manifesto, to a credible programme for fiscal consolidation to be matched by an economic growth and reform programme.

We must tackle in a concerted way, the structural deficits which we face by making key decisions to adjust our spending patterns, while boosting our revenue earning capacity. This will give us the fiscal space to reincentivise a private domestic business sector to invest more; thereby to create more opportunities for employment, spending and revenue intake.

Mr. Speaker, when we come to deliver The Financial Statement and Budgetary Proposals our hope is that we will be able, after consultation with the relevant stakeholders and social partners to lay out that particular revitalisation plan, in terms of domestic incentives, waivers and whatever else that we have to do to incentivise business to create jobs in this economy. That is very important and one of the key missions for this Party, in the first part of this new term.

Asides.

Hon. C. P. SINCKLER: Mr. Speaker, as I said, this will not just be a Government or a Party in office exercise, it has to be a national project, shaped by extensive national consultations, and owned and implemented by all segments of the Barbadian society.

We in the Ministry of Finance, under the guidance of the Honourable Prime Minister and the Cabinet of Barbados, and with contributions from the social partnership, civil society and yes, if they so desire Her Majesty's Loyal Opposition, will take lead in initiating that process to forge the consensus on economic reform, growth and adjustment.

Asides.

Hon. C. P. SINCKLER: I have already instructed my economic team to put the final touches, Mr. Speaker, on a discussion proposal that will be used to ignite that general and specific discussion on the restructuring of the Barbados economy and, of course, that will be based on a 2013 Democratic Labour Party Manifesto, which was given the stamp of approval by the people of Barbados in the name of the people of Barbados to address these critical issues.

Mr. Speaker, as you may know, and as they said before, for the past several months, contrary to popular belief, the Prime Minister of Barbados along with a collection of his Ministers have established and set up a number of action teams, constituted from among key members of the business, labour and civil society community, that have been hard at work examining proposals for the implementation of economic growth, business facilitation and social development reform. Sir, we are not now starting this process. We began it in the previous administration.

In fact, Mr. Speaker, it is my certain knowledge that the work of these teams is so far advanced that they are ready to make the recommendations to the Cabinet of Barbados and for wider discussion and discourse in the country. And that work, led by the Honourable Prime Minister has been an exciting project, I have been Honoured to participate in it, other Ministers have led the process and have worked with those teams. We now have a very congenial and cordial working relationship between ourselves, in identifying issues in Barbados.

It is therefore my hope, Sir, that when taken together with the internal expert team that I will empanel to examine existing public finance structures and develop draft recommendations for strategic adjustments, that we can have these things before the public and before the Cabinet in the shortest possible time period for what we believe and hope will be a national programme for renewed economic growth and adjustment in the Barbados economy.

Mr. Speaker, since time is of the essence in getting these things implemented, it is our intention that this process will be a short one and thereby ready for full presentation to the country, by the time The Financial Statement and Budgetary Proposals are laid later this year in a few months time. Further and better particulars of course, Mr. Speaker, about the consultations process will come from the Ministry and from the Prime Minister's office and elsewhere.

Mr. Speaker, against this background, knowing what we face, knowing what happened last year, knowing the difficulties that we have to confront and the fact that we have not, unfortunately, done the things that we should have done when we had the time and space to do it, I now take the opportunity to outline the 2013-2014 Programme of Estimates of Revenue and Expenditure, which were designed and agreed with the full understanding of these common realities that confront us as a country.

Mr. Speaker, these Estimates aspire to allow for the continuation of the process of reform and investment in the Barbados economy and society so as to produce a Barbados that is socially balanced, economically viable, environmentally sound and characterized by good

governance. I will repeat that, Mr. Speaker, because the other people are saying that the Prime Minister and the Government have no vision for Barbados.

Mr. Speaker, our vision, our policies and our every effort are to create a Barbados that is socially balanced in which everybody can have an opportunity to participate in the wealth of Barbados and the benefits drawn from our productivity, that is economically viable that we can pay and earn our way in the world on the strength of our contributions to creating wealth and to increasing productivity and that is environmentally sound, that allows us to live in a country and breathe the air that God has given us unimpeded by the activities that would cause environmental degradation, that would threaten the prosperity of the country and that will see premature death, disease and destruction and that would be characterized by transparent, democratic and sound governance that respect the institutions that have made us proud, the rule of law, the courts, the Parliament, the Government, the private sector and the civil societies, those institutions that have held us together. That is the vision of the Democratic Labour Party.

Sir, in this regard and even in spite of the challenges that confront us, Government has still seen it fit to provide in these Estimates for the custom level of investments in education and health care, the social welfare and community development. We are still investing heavily in poverty alleviation because that project is absolutely critical and important. We are doing so, Mr. Speaker, not just by hand outs but by giving people a hand up through the development of critical human resources and in particular through a transformational impact with heavy emphasis on human resource development through the Ministry of Labour, Social Security and Human Resource Development. In fact, Mr. Speaker, a considerable amount of resources are going to be spent in these Estimates on the Human Resource Development Strategy which was laid and debated in this House and which we believe is absolutely critical to the success of Barbados going forward. In fact, we are entirely sold on that.

On the economic side, Mr. Speaker, as noted earlier, the Government in these Estimates has signalled its intention to forge ahead to build a new alternative energy sector. We will lead from the front by providing almost BDS\$3 million invested in the Smart Energy Fund geared towards the retrofitting of key building installations of Government with photovoltaic panels to produce alternative energy and reduce Government's electricity bill.

In fact, Mr. Speaker, the Honourable Minister of Water Resources and his team are looking very effectively at doing a special project to assist the Barbados Water Authority to reduce the cost of energy for pumping water in Barbados which has now risen exponentially on the

increased cost of electricity driven by the fuel adjustment as opposed to VAT and all these other things that we have been hearing which is now almost by some estimates close to \$3 million a month and threatening the viability of the Barbados Water Authority. It is that act alone, Mr. Speaker, not any excesses at the Barbados Water Authority or the over-hiring of staff as people were talking about, it is really the energy bill.

It is really dealing with all of those defective metres that the Barbados Labour Party bought, quite a bit of which do not work actually and we now have to change them out. There is the high cost of actually servicing them because if they break down you have to get the company to service them and it increases the cost. We now have now a situation where so many of them have broken down that we have to engage a project to change all of them and then we have to spend money again when we knew for years that close to 50 per cent of the water produced in Barbados was being leaked into the ground because of bad mains. When we expected the last Government that spent \$165 million on a highway, \$100 million on the Barrack Building, \$40 million on a dump that...

This fundamental and basic element for survivability in a country could not attract even a little breadcrumb to do a massive water mains relaying project that would have put the Barbados Water Authority on such a firm financial footing going forward and of course contribute essentially to the development of Barbados economically and socially particularly in the south-eastern part of Barbados, that was not done. The Honourable Minister of Water Resources has to come now and rack his brain in a constrained fiscal environment, how we are going to get this done, running from this bank to that bank to try to get money to try to do what should have been done when we had the time and money.

Mr. Speaker, do you know how many metres that \$600 000 that was given to the Israel Lovell Foundation could have changed?

Asides.

Hon. C. P. SINCKLER: Seriously, Mr. Speaker, we did not do these things and that is why we are in the problems that we are in now. The Democratic Labour Party Government is going to accept responsibility for whatever we did but we cannot accept responsibility for things we did not do, acts of omission or commission, we cannot. I cannot take responsibility. The Honourable Minister of Water Resource cannot take responsibility for the fact that we had a lot of money when we had it in the 1990s and the 2000s and we did not spend it on changing the water mains or put an alternative energy solution in place to ensure that we did not end up having these problems. We know oil prices were rising. He cannot take responsibility for the

sugar industry that he has found falling down and that if we do not intervene in a hurry is going to collapse completely. He cannot take responsibility for that, that has nothing to do with him except now that he has the problem of solving it.

Asides.

Hon. C. P. SINCKLER: You see we cannot take responsibility for these things but they have to be done and we will to do them.

We have increased the provision to the Barbados Tourism Authority. The Tourism White Paper, I believe, came here. The Minister discussed it at length. We know where we are going. We have a strategy and starting from this year we are going to put additional money there at their disposal. I believe that there are additional moneys that we can give them too to ensure that we work on issues pertaining to product development, airlift, exploration of new markets and the differentiation of existing markets. Mr. Speaker, that is the strategy for the Barbados Tourism Authority. We are going to be there with them and we are going to do it very aggressively this year.

Sir, we have also brought on to the books fully the provisions made in the last financial statement into these Estimates in relation to the budget of the Barbados Agricultural Development and Marketing Corporation to reactivate the ploughing and 'rotavation' services extended to farmers to allow them to bring idle lands back into production at a cheaper cost while keeping existing productive lands going. My understanding is that the Ministry and the Barbados Agricultural Development and Marketing Corporation have already begun to purchase the additional equipment required for this particular process and we are going to sustain it not only this year but into 2014-2015 as well. This would ensure that we begin the process of meeting our manifesto target of increasing food crop production by 10 per cent over the next five or so years.

In the area of capital works, I believe that a few things bear mentioning at this stage. Mr. Speaker, as you would know and you would hear a bit of the programming, that we have put into the Estimates \$309 million this year in Government's capital works.

The nature in terms of how capital works is outlaid in the Estimates has changed and how capital works is undertaken for the Government, in the sense that are not substantial amount of capital works spending does not appear in the Estimates, they take place in the statutory entities of Government, what people call off-budget, many of which incur debts to do some of these projects, even if at some point in time, particularly with the social ones, where

Government is required to service that debt through its recurrent account.

Mr. Speaker, this is so because these institutions require that work to be done and it does not come out of the Consolidated Fund directly. In fact, quite a bit of that work is done on a basis of a public/private partnership who themselves go out to financial institutions, raise the capital, do the projects whether on a built/operate/lease/transfer arrangement and work with us in that particular regard.

Mr. Speaker, it would not be seen fully in terms of the Government's capital works programme totally as Government in here and therefore I hope that this year we do not get the same repetition of the statement that Government is not spending enough in capital works programme. In fact, I can say to this Honourable Chamber that pretty much and very much, we are going to implement during the course of this financial year and certainly starting in this calendar year a special stimulus programme in capital works, additional to the \$309 million which we have recorded in the official Estimates through the various statutory entities or private companies of the Government which I can list, most of which, if not all of them, on a public/private partnership basis for the additional \$325 million.

Mr. Speaker, (1), the National Housing Corporation will begin the construction of two new high-rise housing projects at the Grotto, Beckles Road and Exmouth, Land Ends, Deacons, for an accumulative cost of \$56 million, with about \$30 million to be spent in the next financial year. Sir, work on these two buildings will start in a few weeks' time. In fact, I believe the work at the Grotto may have already started with the preliminary works going on.

Mr. Speaker, (2), work is ready to begin on Phase 1 of the new cruise pier at the Bridgetown Port, with full financing to be locked in by July. This will provide for another BDS\$70 million in civil works over the next 12 months once all goes well. Sir, I am sorry to lament this but this cruise pier is going to allow us, finally with God's help, to separate cruise from cargo at the Port. This is something which should have been done many years ago, which was not undertaken when the last Government of the Barbados Labour Party was in office.

Mr. Speaker, as a compending project, it is expected that work on the Pierhead Marina will begin in the third quarter of this year. It definitely will begin, I can tell you that, one way or the other. We have brought the situation to building drawings stage and will soon have those at our disposal. We are going to finalise the financing which will bring \$60 million in additional work into the Barbados economy for the first nine months of the project scheduled, starting the third quarter this calendar year.

Mr. Speaker, the Grantley Adams International Airport Inc., (GAI) and the Ministry of International Transport are expected to conclude negotiations with developers and investors for an injection of an additional \$20 million to initiate the construction of a new cargo shed at the Grantley Adams International Airport. Work is expected to start in the final quarter of 2013. Drawings and all have been finished, work is about to begin once those negotiations can be completed.

Mr. Speaker, the Sanitation Service Authority is in the final stages in the Ministry of the award of the contract of the leachate plant at Vacluse to cost an estimated \$21 million, with work to begin at the latest the third quarter. We believe it could begin sooner but to be conservative, the latest is the third quarter of 2013.

The Ministry of Transport and Works will be given instructions to forge ahead, because they have already started with the negotiation of a new special stimulus road works package starting at \$80 million on a public/private partnership, with the major road builders in the country to carry out much needed work on several badly deteriorated roads in parts of St. Lucy, St. Philip, St. Joseph, St. Andrew, and St. Michael in particular. That work is expected to start this late summer and will be in addition to what is in these Estimates for the Ministry of Transport and Works.

Asides.

Hon. C. P. SINCKLER: Mr. Speaker, we are just short of signing off on the lease for the work at Bushy Park to invigorate the track, to put down a new track by world standards, with the Barbados Motoring Federation. An agreement has already been signed and we expect that work will start this year, that will bring an additional \$10 million into the Barbados economy.

Sir, \$25 million in additional work is expected to be done at the Barbados Water Authority's Headquarters as the work accelerates to bring that to a close. Sir, \$20 million from the Barbados Water Authority is for the mains laying programme. I believe this has already been advertised for tender a few days ago and we expect that will start in the third quarter.

Sir, \$12 million in this financial year is to the build-out of the new molasses tanks. Of course, it is going to cost more than that but we expect that \$12 million will be spent this financial year. Sir, \$7 million is for the retrofitting of the new Immigration Office and the ground floor of the car park at Princess Alice Highway. Together when this \$355 million is taken from this new stimulus package and the \$300-odd million is taken from the traditional Estimates, we anticipate an injection of \$600 million in capital works spending as a new stimulus to the Barbadian economy to

cause additional economic activity, contribute to the reinvigoration of the construction section, creating new jobs and growing the Barbados economy. This is the type of stimulus, this is the type of “money in your pocket” that this Administration prefers to do because we know that it is more sustainable, it is lasting, it creates more jobs, it creates more economic activity and it allows us to ensure that we can continue to do business in Barbados to the benefit of all Barbadians. Our hope is that together these projects will create in excess of 1 000 new jobs from this work during the construction phase. Of course, it will generate other spinoffs for the local Barbados economy.

Mr. Speaker, those who are walking around asking what are we doing to stimulate the economy, what are we doing to stimulate this and stimulate that, that is the stimulus for 2013-2014 and beyond, \$600 million of investment in the Barbados economy from the Government side alone, that has nothing to do with what the private sector is doing, that is straight Government project either done or straight Government on a public/private partnership basis.

Mr. Speaker, Sir, against this backdrop of what I have said in relation to alternative energy, cultural industries, the social sector, the capital works sector, all of that I give the following figures for 2013/2014.

The fiscal framework for 2013/2014 is formulated to attain the following (1) reduce the level of tax arrears outstanding by the major revenue agencies and enhance collections (2) implement a stabilisation programme, which will involve the reduction of discretionary expenditures in order to achieve and maintain a balance in our public accounts (3) to reach strategically the public sector investment programme and the current spending needs of the Government with the availability of the revenue and the achievement of our fiscal objectives (4) to continue to introduce measures to reduce cost and enhance revenues, which would include the use of alternative measures, for example, joint public sector/private sector arrangements, as I have spoken about, build, operate, lease and transfer to finance public sector investment programmes, where Government will make savings in expenditure or earn additional revenues to cover lease payments on such arrangements; encouraging State enterprises to implement measures to enhance their revenue generation, so that there is a closer matching of revenue and expenditure and capping of subventions where necessary to State enterprises as part of the overall discipline for the fiscal project.

Mr. Speaker, the fiscal programme therefore presumes current revenue of \$2 625.0 million on an accrual basis, current expenditure, exclusive of amortization of \$2 988.0 million and capital expenditure of \$308 million. While the projection on an accrual basis showed a net

operating balance of negative \$413.8 million, when converted on a cash basis, there is a fiscal balance of \$496.7 million and an overall fiscal deficit of \$1 218.3 million on the Accountant-General's basis.

Mr. Speaker, the current revenue on a cash basis: The current revenue is projected to increase by \$169.5 million or 7 per cent based on the injections, which we told you that we are going to make, so we did not just pull this out of a hat. Sir, with the \$300 million odd additional capital works expenditures, we expect that increase economic activity will give us an increase of \$169.5 million or 7 per cent over the revised 2012/2013 level of \$2 590.2 million. Mr. Speaker, the \$2 590.2 million expected to be collected is \$29.9 million less than the amount approved for 2012/2013. The Estimates of Current Revenue for 2013/2014 have been constructed on the following assumptions:

Real GDP growth of 0.9 per cent and nominal GDP growth of 4.6 per cent; a GDP deflator of 4.4 per cent; inflation of 7.8 per cent; import cover of 13.8 weeks; tourism GDP growth of 0.9 per cent; traded sector growth of 0.1 per cent; growth in retained imports of 2.2 per cent put at \$3 070.8 million.

Mr. Speaker, the Estimates for 2013/2014 project current revenue on an accrual basis of \$2 625.0 million. Revenue to be collected in 2013/2014 fiscal year is set at around 27.9 per cent of GDP estimated at \$9 295.0 million to yield \$2 590.2 million.

Mr. Speaker, taxes on income and profit are projects at \$767.7 million on an accrual basis and when bad debts are taken into account, the amount to be collected is expected to be \$763.0 million, an increase of \$38.0 million or 5.3 per cent above the amount collected for 2012/2013.

Mr. Speaker, income tax is expected to decrease by \$59.6 million or \$13.4 million to \$385.0 million; corporation tax to decrease by \$7 million or 2.3 per cent to \$298.0 million; taxes on properties are expected to realise \$154.9 million, an amount of \$3.5 million more than collected in the current year.

Mr. Speaker, on an accrual basis, taxes on goods and services are projected at \$1 257.9 million; taxes to be collected on goods and service during the year are expected to fall by \$9.6 million or 0.7 per cent to \$1 239.5 million. This tax category receives its principal impetus from the receipts of the VAT and excise duties, which are expected to contribute \$925.0 million and \$179.4 million respectively to the Treasury in this fiscal year.

Mr. Speaker, import duties are projected at \$212 million, increasing by \$12.4 million over the projected amount for fiscal 2012/2013; special receipts are expected

to increase by \$18.9 million to \$46.4 million as a result of an introduction of the greening levy, which we announced in the last Financial Statement and Budgetary Proposals, which is expected to yield \$21.4 million.

Mr. Speaker, non-tax revenue is expected to increase from the amount approved in 2012/2013, increasing by \$2 million to BDS\$132.6 million. The Government of Barbados is expected to receive grant income of \$26.7 million of which \$26 million will come from the European Development Fund.

Mr. Speaker, on the expenditure side: Current expenditure exclusive of amortization of \$577.0 million is projected at \$2 988 million. When converted on a tax basis and bad debt and depreciation expenses are excluded, current expenditure is expected to decrease by \$13.1 million or 0.5 per cent over the 2012/2013 revised figure of \$2 921.9 million. Wages and salaries are expected to increase over the revised amount in 2012/2013 by \$14 million or 1.8 per cent to \$833.8 million and this is due mainly to increments. Expenditure on goods and services is expected to decrease by \$54.8 million from the approved figure in 2012/2013 to \$378 million. This is mainly due to the fact that the expenditure relating to capital projects that were classified as Standard Account Code 223: Structures, and Standard Account Code 226: Professional Services are now classified as capital expenditure under Standard Account Code 785: Assets Under Construction. Sir, current transfers are projected to decrease over the amount approved in 2012/2013 by \$18.9 million or 1.9 per cent to \$1 037 million.

Mr. Speaker, bad debt and depreciation expense are projected to be \$11.3 million and \$54 million respectively. Non-capital assets consisting of the payment of loans to the Government are projected at \$0.7 million, the same amount as approved for the previous year. Interest payment in 2013 are expected to increase over the 2012/2013 revised figure by \$62.5 million or 11 per cent to reach \$612.8 million.

Mr. Speaker, amortization of \$721.6 million is projected, increasing by \$174.3 million or 31.9 per cent over the 2012/2013 revised figure. The increase is due mainly to the maturity of an additional \$108.7 million in debentures. The inclusion of \$80 million to settle the line of credit for the Republic Bank of Barbados Limited, an increased sinking fund contribution of \$12 million, as a result of new debt. The inclusion of \$15.2 million to service the bond which will be borrowed on the regional market.

Capital expenditure for 2013/2014, I spoke extensively to where we are going with that and therefore I would repeat that, except to say that capital transfers are projected at \$50.9 million, \$7.2 million more than the revised figure for 2012/2013, and an inventory of capital

transfers, Members can look at table 7 to see how they are done.

Mr. Speaker, it should be noted, I think for the knowledge of Members, that from 2008/2009 financial years, the assets were shown as belonging to the Crown and were therefore placed under Head 19 Treasury. From the financial year 2012/2013, however, all assets are now shown as under the individual ministries as opposed to that. So when you see that figure being reduced, that is where it has gone to.

Sir, therefore the fiscal balance for 2013-2014 as previously indicated revenue, current \$2 590.2 million is expected to be collected, of which \$2 430.9 million is tax revenue, and \$153 million is non tax revenue and grant income; total expenditure of \$3 808.6 million consists of current expenditure of \$3 643.5 million and capital expenditure of \$165.1 million on a cash basis. When amortisation is excluded the deficit is \$496.7 million on a cash basis, representing 5.3 per cent of GDP, and on an accrual basis the negative non operating balance is \$413.8 million representing 4.5 per cent of GDP.

In 2013-2014 it is expected that \$844.5 million or 69.3 per cent of the fiscal deficit on the Accountant General's basis would be financed from domestic sources. The balance of \$373.8 million would be financed from foreign sources in the form of capital budget inflows and borrowing on the capital markets.

The major activities of which you would see contributed to here in addition to the ones that I have mentioned, the current subvention of \$145.5 million to the Queen Elizabeth Hospital, \$101 million to the Barbados Tourism Authority to facilitate their marketing and promotion and restructuring plans, Invest Barbados, \$4 million to carry out its operations; \$10 million to the Barbados Tourism Investment Inc. to carry out work on capital projects; grant funding of \$26.7 million is expected to be received in carrying out the Human Resource Development Strategy; the School Plant Enhancement Refurbishment Programme, technical services to the International and Financial Business Services sector, technical corporation facilities, a non State actor's programme, and the technical assistance for the office of the National Authorising Officer. Those are all European Union projects.

The current subvention of \$34.7 million and a capital subvention of \$3.4 million is provided for the Sanitation Service Authority. An amount of \$27 million is provided to the Barbados Drug Service for the purchase of drugs. The current subvention of \$71.3 million has been maintained for the University of the West Indies. Of course, Mr. Speaker, that does not include tuition cost. That is the economic cost. You add the tuition cost which is \$35

million to be found elsewhere in the Estimates. That will give closer to what the university would be getting.

Scales for the future programme in the Ministry of Education will be providing BDS\$7 million. The Low Income Housing Project will get started with \$4.5 million. Sir, this is likely to increase as the work goes on because this is a Caribbean Development Bank project and it is on a reimbursable basis, when you spend, you get back.

Mr. Speaker, a famous US President once said to his people that the only thing they need to fear is fear itself. Truer words could not have been spoken to any people, and family could find an appropriate application among any people at any time in history, and indeed right here in Barbados. In Barbados there is a tendency for some to play on the fear of Barbadians and to adopt a posture of defeatism, despondency and despair. This is done not so much to reflect the spirit to whom it is preached to, but to make the preachers feel their sense of superiority over person and purpose. We on this side do not believe in any cynical approaches to life and living. Yes, we do not have all the answers, never professed to, and we know that situations are difficult in the country as it is in other parts of the world. What we do have like the vast majority of Barbadians is an undying confidence in our ability to achieve higher and better things, a spirit of never say die, a determination to seek out solutions and implement them in an orderly manner, consistent and complete way.

Sir, above all we have the audacity to hope to know that together as people we can make Barbados a better place for this generation, the next, the next, and the next after that. That is why in the face of the sternest criticisms, the parade of doomsday scenarios, the allegation of incompetence by the Opposition, we took Barbados through its roughest period since Independence and held it up as a beacon of stability. That is why for our intestinal fortitude and foresight, the Party of Barrow and Tudor, Taitt and Thompson, Sandiford and now Stuart, the people of Barbados invited us to continue to construct a pathway to progress for them and for their children on February 21, 2013.

Sir, these Estimates and the policies and plans contained in our Manifesto, in our fiscal strategy and our development strategy they support a reinvigoration of the Barbados economy, and backed by this and the blessing of the Almighty this Democratic Labour Party humbly accepts the responsibility given to it by the people of Barbados and firmly commit ourselves to the task at hand.

I therefore beg with these words that this Appropriations Bill 2013 be read a second time.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, I beg that the House be suspended until 2.15 p.m.

Hon. R. D. JONES: I beg to second that, Sir.

The question that the House be suspended until 2.15 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

When the Suspension was taken, we were on Order No. 1 and with that we shall revert.

The Honourable Member for St. Michael North East

Hon. Miss M. A. MOTTLEY: Thank you very much, Mr. Speaker.

Sir, as we commence the debate for the Estimates and Expenditure and Revenue for 2013/2014, we are doing so mindful that we are setting out effectively, the programme for all Barbadians to understand in what direction this country will be taken, indeed, Sir, what to expect over the course of the next 12 months of our existence.

I want, Sir, before I get into the actual details of the Estimates speech to speak to an issue that has so concerned me in the last 24 hours that I feel compelled to speak to it, in the context of that the Estimates really speak to every aspect of our lives, social, economic, work, social order.

Mr. Speaker, yesterday, afternoon an incident took place in Bridgetown, which concerned all right thinking Barbadians that two tourists, who chose to spend their money with us and who chose to visit this country in circumstances, where others are not necessarily doing so in abundance, were the victim of a most unfortunate attack. I say, Sir, to this Chamber and by extension to the country that these are serious times and it requires of us, a response that goes beyond just simply thinking that the Royal Barbados Police Force will do its job.

This required of all Barbadians an understanding that every time - and it has been happening now with too frequent an occurrence to tourists, that every time someone is attacked on these shores that it stands to negatively affect the ability of those Barbadians, who continue to work acts of economic terrorism. I would like to call on all of us in this country, Sir, to recognise that we have to do whatever is necessary.

I appreciate that people are suffering and I appreciate that things are hard and I appreciate equally however, Sir, that there is not an excuse for that kind of behaviour. And that this should happen on the heels of other unfortunate instances with British tourists, will compound the already grim tourism situation, which this country faces and I will speak to that grim situation in the course of my speech. Suffice it to say however, Sir, that I trust this is an occasion that will bind the entire nation, and to recognise that it is not just the Members of the Royal Barbados Police Force who has a responsibility to help keep us safe.

Sir, I say that conscious too that was an occasion on which the Minister of Finance at the outset of a Term might have wanted to truly deal with the unfortunate set of circumstances which continue to bedevil our economy and our society and in particular, Sir, the public finances of Barbados. If there was one person and one person alone who could have come to this Honourable Chamber today and set out a context and a programme to stem the Belém Datum to set this country back on a growth path, to make appeals that were genuine and sincere, it is the Honourable Member for St. Michael North West.

Sir, I say so because it is only he, not the Member for St. Michael South the Honourable Prime Minister, not the Honourable Member for St. Philip West who might have wanted to be and who perhaps should have been but only the Honourable Member for St. Michael North West who for the last three years has had the conduct of the public finances of this country and who was responsible, Sir, for the Medium Term Fiscal Strategy, which the revised Medium Term Fiscal Strategy of November 2011 was laid in this Honourable Chamber by the Honourable Member for St. Michael North West.

The Honourable Member for St. Michael North West is the one person who would have been privy to the under performance of the revenue. He does not have to wait until the end of the year to know that Government has cash flow problems, or that Government has a shortfall of revenue. He does not have to wait until the end of the year to know that expenditure has ballooned beyond that which was projected and approved in this Honourable Chamber last year. He does not, Sir, have to wait until the end of the year to get the updates on the performance of the productive sectors be it tourism, international business, manufacturing or any other sector in this economy.

It is therefore with some regret that what we had today was a case of a lot of talk, all over the place, arguing for and against in some instances with the same facts and ensuring, Sir, that there is no person in Barbados this afternoon who is any clearer as to how this exercise, as required by the Constitution will bring us any closer to stabilising our condition, either at the level of households, at the level of enterprises, at the level of the performances

of the various sectors or indeed, Sir, at the level of the country's overall performance.

We were told, Sir, that these are the reasons we are not growing and why we cannot do better and we were given almost 45 minutes of information that would suggest that the same misery loves company, has found a true ally in the form of the Honourable Minister of Finance. For he sought to find every reason why Barbadians should not expect any better of him and the performance of this economy. Sir, do you know what is unfortunate, is that if the information he was giving was rooted in facts, we might even have some level of sympathy for him but the information which came before this Honourable Chamber ranged on a confusion of the reduced economic growth with negative economic performance.

Reduced economic growth is not the same thing as a recession. The fact that India and China may not be growing at optimum levels does not discount the fact that they are still growing. Indeed, Sir, China grew in 2011 by 9.3 per cent and in 2012 it grew by 7.8 per cent but nevertheless it was growth. The fundamental point, Sir, is that 7.8 per cent is on top of what was achieved when it grew by 9.3 per cent the year before and, Sir, I go further.

Asides.

Hon. Miss M. A. MOTTLEY: I do not mind them, Sir, because the one thing that I would make clear in this debate and in this Parliament, is that it takes two hands to clap and this makes no noise. So I have gone through a campaign without responding to anything from the Honourable Member for St. Michael North West and I will continue to ignore because what is before us, is too serious to be sidetracked with all kind of spurious political allegation.

Sir, when you look at India now, India grew 7.9 per cent in 2011 and in 2012, India grew 4.5 per cent. Sir, that 4.5 per cent comes on top of what it added in output in 2011.

Sir, when you look at the rest of the world, it is not in a global recession as it was in 2009. In 2009 there was a global recession but this Government continues to argue that it can do no better because the international economy is in a recession. Well, there is no evidence of a recession in the international economy. Indeed, Sir, the United States of America grew last year at 2.3 per cent. Barbados' average target for growth for over 20 years was 3 per cent and we felt that 3 per cent would allow us to have sustainable growth and to bring down unemployment in this country and to fight poverty at the same time so that when the United States of America, one of our main trading partners, grows at 2.3 per cent and when Canada grows at 2 per cent and the United Kingdom had a decline

of -2 per cent, on the balance... the majority of Barbados' trading partners in fact grew. Sir, if we were to come to the region, equally in the region the majority of our partners within the region have had better economic performances than the economy of Barbados in the last year.

Sir, I want from the outset of this debate to therefore make it absolutely clear that 45 minutes of excuses cannot absolve this Government from confronting the problems of Barbados and fixing them. It is a matter that the country and the people of Barbados expect them to do.

What we got today, Sir, was a political stopgap measure. We had to participate in this exercise because we could not do any better because it is required of the Constitution. Sir, the Government is neither prepared to build on its own Revised Medium-Term Fiscal Strategy because the facts are that these Estimates of this year show, even by their figures, which we say also are a fiction, that the overall fiscal deficit as a percentage of GDP is in fact worse than the worst-case scenario of the Government's own Revised Medium-Term Fiscal Strategy.

Let me take two second on this, Sir. On page 17 of the Revised Medium-Term Fiscal Strategy the Government projected in their baseline summary, a fiscal deficit for this year 2012-2013 of 4.7 per cent. It says that the best-case scenario would be that the deficit would be -3.8 per cent and the worst-case scenario would be -6.2 per cent.

Sir, if I may carry Honourable Members to the Estimates that were laid last week at page 2 Table 2, it shows clearly a projected overall fiscal deficit of -6.6 per cent and a lot of fancy numbers that the public may not quite understand but the public would get the point that the situation has deteriorated to an extent worse than anything that even this Government contemplated was possible on the basis of what they read the situation to be.

I go further, Sir. This Government in these Estimates wants us... and there is a disparity between the amount stated for capital expenditure April 2012 to March 2013, including the projections... On page 2, it is stated to be \$98.8 million but then on page 5 the revised Estimates for the same year is stated to be \$225.89 million. If we were to use the figure on page 5, the fiscal deficit this year is in truth and in fact about 8 per cent of Gross Domestic Product, which is totally and completely unsustainable.

Sir, the Minister of Finance has a duty, because this is his document he has laid here, to explain the disparity between the capital expenditure for 2012-2013 as stated at \$98.8 million and the revised figures at page 5 as stated at \$225.89 million. It cannot be both because they reflect the same category of expenditure for the same time period of expenditure. Sir, I suspect that Honourable Members on that side would be concerned too to understand how both

figures could represent the same item of expenditure in the same year. The truth, Sir, is that even when we look at this, it does not include a whole raft of expenditure that I would come to in the course of my speech this afternoon and that in truth and in fact these Estimates are a fiction, a fiction before this Honourable House and a fiction at law especially if we are to listen to the Auditor General who has made it quite clear in his report of this year that the Government continues to lay Estimates that do not reflect the true expenditure since it has moved to accrual accounting because we must bring to book all amounts once the liability is incurred and not simply when the moneys are received or spent.

Sir, to that extent, the Opposition finds an ally not only in our own interpretation of the Estimates but indeed in the report of the Auditor General who is an independent entity under the Constitution of Barbados.

Sir, it is not only bad enough that the deficit is worse than the worst-case scenario set out by this Government. I want to highlight a few facts that perhaps best capture the state of this economy as we speak:

1. A worse deficit than contemplated by the Medium-Term Fiscal Strategy;

2. An economy that continues to be smaller than it was before;

3. Tourism for the first nine weeks of this year, our primary foreign exchange earner even before the events of yesterday which would put more pressure under it, is down by 9.5 per cent in terms of arrivals for long-stay visitors in Barbados. The United States of America is down by 14.5 per cent, Canada down by 14.5 per cent and the United Kingdom down by 4.5 per cent but cognizant that the United Kingdom is responsible for 40 per cent of arrivals that come to Barbados;

4. That the Minister has come here today and has asked us to approve these Estimates without a single word on the repositioning of the tourism sector, on the repositioning of the international business sector, which by his own admission today is down both in terms of renewals of international business companies, formation of new international business companies and indeed societies with restricted liability; that manufacturing is down; that agriculture is down and indeed that the alternative energy programme of which he speaks still remains on the ground yet to take off with any serious effect in this economy for the benefit of either enterprises or households.

5. Indeed, Sir, add to that, these Estimates as well have been brought here without reflecting the true liability for the University of the West Indies. It says it is \$71

million but we know that the figure is more like \$170 million.

These Estimates provide for an amount for the Queen Elizabeth Hospital that is less than it had last year, a figure of \$150 million, when the Queen Elizabeth Hospital needs, as the new Minister of Health would find out, at least \$200 million to operate in a full financial year.

Indeed, Sir, there is no figure for the National Housing Corporation - and I will come back to that - in spite of the fact that the Ministry of Finance has had to support the payment of salaries and the servicing of the loan from the National Housing Corporation for almost every month of the calendar year because of the technical insolvency of the National Housing Corporation. Indeed, in addition to those, the Transport Board has received the paltry figure here that is insufficient to meet its operational expenditure, based on what the Honourable Member for Christ Church South would have indicated to this Honourable Chamber in the last term as to the needs of the Transport Board.

Mr. Speaker, while holding up these stark pieces of information, I have not gone for the fact that perhaps if you look at the reality of implementation of this Government. Sir, construction at Valery was finished last year but the Honourable Member for St. Michael South Central does not have the pleasure of going and knocking at any door this afternoon and visiting anybody in Valery because there is still water to be connected to a building that has finished construction four months ago. Mr. Speaker, no one is in Valery though it was finished four months ago but there is no water flowing into the building at Valery.

Mr. Speaker, the Attorney-General last week failed to address the fact that the Government took a decision in March 2009 to transfer an amount from the Social Investment Fund. It took four years, March 2013, to bring the legislation to repeal the Social Investment Fund. Indeed, it is also a fact, as we discussed the increase crime in Barbados for cash-for-gold, that the Royal Barbados Police Force would have recommended an amendment to the legislation which was only passed earlier this year, late in the past Parliament, since three or four years ago. Sir, in both instances, it reflected almost a paralysis of Government's action to be able to get legislative changes for anything. Sir, the new Minister of International Business will confront that reality in respect of the suite of legislation that is required to be able to rebuild and restore growth for the International Business Sector.

Mr. Speaker, when I combine the stark reality of the circumstances of the people of Barbados who now face more unemployment than five years ago, which has virtually doubled; who face prices that are 34 per cent higher than five years ago; who face foreign reserves that

are half what they were; who face a situation where the best estimate from the Central Bank of Barbados is an economy that may grow 0.7 per cent this year or to put it into context, will increase by \$60 million to \$65 million for the entire economy of Barbados which we also, like him, would come to question later in the year, given his track record on projections of growth for this economy.

Mr. Speaker, when we contextualise all of that, we expected the Minister of Finance to come here and to speak to the people of Barbados with a level of seriousness and a level of commitment as to what has to be done to stop the bleeding in this economy and to restore this country to a growth path. Mr. Speaker, what we had was a plea for additional time. What we had was a plea that we are not ready to take decisions. Sir, at one point the Honourable Member asked the Opposition to tell them what to cut. The Honourable Member then asked his colleagues in Cabinet, tell them what to cut. Sir, with all sincerity, I have no difficulty, I really do not, because for three years straight either the Honourable Member for St. Peter or I said to the Honourable Chamber we are Parliamentarians and if you want our assistance in stabilising this economy, which we are prepared to give, then let us set up a Special Committee of Parliament to do so. Sir, what you cannot have is a situation where at which one and the same time you are being contemptuous and attacking the Opposition out of one side of your mouth and then out of the other side say you want cooperation.

Mr. Speaker, if we are serious about cooperation, then we have said in here over and over we cannot cooperate in the executive, we are not Members of Cabinet, we are Parliamentarians and we know of processes of Joint Committees of Parliament that will admit of consultation with Parliamentarians to add to the national discourse but the seriousness with which you would take the Government's point has equally to be contextualised against the Minister's comments that he and the Prime Minister have set up these restructuring committees for the productive sectors since last year. Indeed, in the Financial Statements and Budgetary Proposals of June last year, the Minister of Finance told us that they had met with the Social Partnership and that the Prime Minister had set up these committees some nine month ago. Sir, because the public of Barbados is saying, given the absence of a strong mandate on the part of Government, that the Government must work with the Opposition, now you want to pay lip service to our request for cooperation.

Mr. Speaker, I say if you are serious, set up the committees but in the absence of that then this will continue to be the continued discourse of division and the continued politics of diversion and distraction. Sir, that is what we had today, a harangue, a diversion and a distraction. We heard everything about why these things have not been done, other than the fact that the

Government was the Government for the last five years. We have not heard one word, even on the progress of these committees to restructure the Barbados economy, yet we could be told that the Barbados Labour Party has never done anything to introduce any new productive sectors into Barbados when, in truth and in fact, the very energy sector of which the Honourable Member takes pleasure in citing was the subject of arduous work by the Honourable Member St. James Central, the former Honourable Member for the City of Bridgetown from two Parliaments ago and I refer to Dame Billie and the Office of the Attorney-General. It started with the former Honourable Member for St. Thomas and then continued by myself, to make sure that the ability to exploit the offshore energy sector in Barbados could have been utilised by getting first and foremost the boundaries for our offshore energy sector settled.

In addition, the Honourable Member mentioned the creative economy as if the bringing of legislation is going to create a creative economy sector when in truth and in fact the Barbados economy has benefitted from the creative economy for the last 20 years, particularly from the mid- to late 1990s, right through the first decade of the 21st Century. Sir, it did not benefit from a creative economy because there was legislation. The legislation will enhance its contribution, the incentives will enhance its contribution but the Bajan invasion to Trinidad and Tobago started in 1995. The ability for people to earn a living exclusively from the creative economy started in the late 1990s, where a man no longer had both a day job and a night job. In fact, the first time that we are at risk of people having to hold a day job while being in the creative economy is in the last 18 months because of the inability for them to earn as a result in a decline in the economy. Therefore, it is a nonsense even to suggest that there was no building out of new productive sectors in the country but that became the subject of the speech. What I want to address here today is not the political excuses, you have won the election, then govern.

Mr. Speaker, what the people of Barbados expect from you is not the distractions and the diversions of blame or talking about whether money in your pocket failed, what they want to hear is about the Estimates and, Sir, let me come the Estimates.

Mr. Speaker, the Honourable Minister must know that not only the members of the Opposition have copies of the Estimates but the public of Barbados. We have a situation where however which way you add or subtract one from two is one, two from three is one, two from five is three and if you owe in income taxes \$420 million in 2011 and you owe \$361.9 million in 2012, however which way you look at it, that is fifty eight point something million dollars difference from what you actually earn. Sir, if you want to look at the projections, it is also \$92

million less than what this Minister of Finance came to this Parliament last year and projected as the revenue from income taxes. When you look at the overall revenue, back to page one of the Estimates, \$2 656 139 783 and on page 2 under the table Revised Estimates of Revenue and experimentation the actual revenue down to January plus the projections for February and March give a projected total current revenue of \$2.42 billion. Sir, with all due respect, \$2.42 billion is \$235 million less than \$2.65 billion and they are both projections. Sir, they are projection because as he knows in every year that this Honourable House debates Estimates, the revenue for February and March are always projected because we happen to have to lay the Estimates in the first week of March, so that for the Honourable Member to come in here and suggest that the \$235 million is misleading is to engage in an exercise of comparing apples and oranges but, Sir, I will show you later on that he is not only comparing apples and oranges but oil and water and, Sir, the two do not mix. Sir, I am saying that let us look to the details of where the revenue is down. When you turn to the Estimates of Revenue, corporation taxes are up \$2 million from the year before but down \$29 million from what was projected. This Honourable Minister stood up in this Chamber last year and told us in the same way he told us today that he would get \$311.1 million from corporation taxes but, Sir, he got \$288 million. He told us that he would get \$453 million from income taxes but he got \$361.9 million and he told us that he would \$420 million which is staggering difference of \$59 million reflecting not just the allowances that I would come that he made adjustments to in the Branford Taitt in June but, Sir, reflecting also a downturn of economic activity in this country because there are less people working, less people paying income taxes and less people making money when they are working because of the two, three and four day weeks and, therefore, paying less income taxes all around. It is a reflection of the human tragedy that is taking place among employees in this country.

Mr. Speaker, value added tax: The Minister came here and told us that he would get \$942 million from a Value Added Tax that he left at 17.5 per cent. He told us that it would no longer be an 18 month measure but that it was to be permanent but in spite of keeping it permanent, do you believe that the Value Added Tax brought in less money than it did the year before? The year before, 2011, the Value Added Tax brought in \$98.5 million which is \$1.5 shy of \$1 million but, Sir, last year it brought in \$888 million, which is \$110 million less. (5:28) Mr. Speaker, you do not have to take my word because the Governor of the Central Bank of Barbados in the last Press release and Press Conference for December 2012, spoke in January of this year and he said that receipts fell by 2 per cent, personal income taxes were down 10 per cent and, Sir, I make this a document of the Chamber.

Mr. Speaker, those are the realities. You do not have to focus on that the Opposition says or what the Opposition does not say, you cannot change the numbers and even an attempt to change addition and subtraction, we are still using systems where one from two is, three from five two, eight from ten is two, sums which primary school children can undertake.

Mr. Speaker, the only tax that really went up was the land tax that does not depend on the volume of economic activity because it is a tax on value of land. It does not depend on how much business is done in the country. It depends on a stipulated value of land and even that went up by \$5 million from \$131 million to \$136 million the year before but every tax that depends on economic activity, transactions and income is down in this country today and, Mr. Speaker, it is because the policies of the Government are not working in relation to the tax measures that were taken by this Government. Sir, this was the simple point that the Barbados Labour Party has been making for the last few years, that there comes a point when you are going to get diminishing return because your tax levels are too high. It is not just the individuals who are complaining, it is the enterprises in the tourism sector but the only person that the Government listens to in any seriousness about this was the international business sector and it still was not enough to stem the decline. This Minister brought changes to the tax rate for the international business sector but it has not stemmed the decline because there are other issues there that I would refer to when it comes to international business but what we have instead is every index of economic activity is down. I do not know what else has to be done to capture the attention of this Government that action must be now and not next year, not Christmas, not arbitrary pronouncements of \$350 million in PPPs like if the announcement makes it happen and jumps off the ground and people are employed like if it is a fairy tale. Sir, it does not happen.

Mr. Speaker, I say to you that every right-thinking Barbadian ought to be seriously concerned. Sir, like them, we meet with people too and the feedback is that you have asked enterprises to hold out and they held out in 2008 and they held out in 2009. You brought an initiative for National Insurance deferrals that the people told you would not work, that the Barbados Labour Party told you would not work and that it would hardly be utilised. Sir, it was hardly utilised but they still held out. They kept employment up as much as possible. They did so in 2010 and they did so in 2011 but you started to see by 2011 unemployment going up and in 2012 further again.

Mr. Speaker, in truth and in fact, as we meet in March 2013, companies in Barbados, to use a good old Bajan term, are out to the baller. There is no more room, and the decline in corporation from a high of \$521 million to the paltry sum \$288 million in a five-year period gives

you the tale of woe. People only pay taxes on profits as a corporation.

Asides.

Mr. Speaker, if the companies are not making profits they are not going to be paying any taxes. In respect of income taxes people pay income taxes if they earn above a certain level. What do we have instead? A reduction of income taxes of almost \$60 million.

Sir, the Minister this morning in trying to claim that he had some limited stimulus programme for tax concessions and tax allowances, while at the same time quarreling with the St. Lucian Government for putting money back in the people's pockets. He spent fifteen minutes talking about St. Lucia and St. Lucia getting into trouble, because they put money back into the people's pockets so as to attack the Barbados Labour Party for its messages that one of the things to stabilise this economy is in fact to be able to stimulate some level of limited expenditure without it having a negative impact on foreign reserves.

Sir, this Minister, and I quote from the Financial Statement and Budgetary Proposals of 2012 presented by the Honourable Minister of Finance on June 26, 2012. On Page 40 he announced:

"In order to strike the delicate balance I propose that as of August 1, 2012, we will increase the tax threshold from \$24 000 to \$30 000, and adjust the effective tax rate from 20 per cent to 17.5 per cent."

Sir, he goes on, on those announcements.

On Page 41 he then said: "This measure is expected to result in a revenue loss to the Treasury of \$29 million." He did not say \$59 million. Sir, worse than that the \$29 million is for the full fiscal year, but the measures would have started in August in circumstances when two-thirds of the income year, or if you want the fiscal year, one-third of the fiscal year was gone. So at the most you could expect even if everybody was making the adjustment through PAYE which does not happen, because some people make the adjustments when they file their returns in April, is at the most you could expect was a loss of about \$12 million to \$15 million, but the loss is near \$60 million.

We are collecting \$60 million less in income taxes in this financial year that is finishing, than you did the previous year. So it could not be because the Minister made tax adjustments as he tried to assert in this House this morning. Let us get real.

Mr. Speaker, I am saying to you that the other \$45 million or so has to be as a result of an economic decline,

and if we tighten it, look at the value added tax and its performance that, in fact, which is an ad valorem tax, a transactional tax. If you have less transactions, less value in transactions, it stands to reason that you will get less VAT.

Sir, what has happened is, you have the astonishing situation of receiving \$110 million less than you got in value added tax last year. You have a situation of less income taxes. I am not stopping there. Sir, do you know that you also have the situation where you have less property transfer taxes in transaction, so that you have a situation of almost a 20 per cent decrease in property transfer tax from what you actually received. I am not talking about projections now. I am talking about hard core, in your hand. In your pocket if you want, the Government's pocket.

Sir, we have a situation where we are to believe that nothing is wrong that requires immediate and urgent action. I say today the Minister has failed in his duty not just to this Chamber, not just to his Party, but to the country of Barbados. He more than anyone else, the Prime Minister could not do it because the Prime Minister would not have been seized with the facts, having not served as Minister of Finance for three years, the Prime Minister did not come here and lay this document in November 2011. The Honourable Member for St. Michael North West did. The Honourable Member for St. Michael North West delivered a Budget Speech in November 2010, in 2011, in June 2012, three Budget Speeches where in each case...

Asides.

Hon. Miss M. A. MOTTLEY: Go back and read them, and I invite members of the public and members of the media and Members of the House. Go back and listen to the language, reiterate and the promises in each one. It was a repetition. It was an exercise in fantasy or fiction, just as these Estimates are and on each occasion we are promised all of these grandiose things, and on each occasion it is yet to be delivered.

Sir, I say we have a grim situation in Barbados, and it is a grim situation from the perspective that this Government has to borrow more and more money because its revenue is underperforming. I want to spend a few minutes on that, Sir, because you cannot look at the revenue of Government without looking at how it is going to meet the gap that is occasioned as a result of poor revenue performance. Sir, let us look therefore at the financing of the deficit. Sir, I am taking my time because I want the public to understand it.

The Minister of Finance, the Honourable Member for St. Michael North West, came to this Honourable Chamber last year and he told the Chamber, and asked for our approval. We did not vote against it. He asked for our

approval to fund \$229.4 million in foreign financing and \$754.8 million in domestic financing. Sir, do you know what happened? The Minister of Finance could not find the \$229 million in foreign finance. Do you know how much he found? Sir, 98 million, \$131 million less in foreign financing that he suggested to this Honourable Chamber that he would find.

Sir, after given all of the talk in the Budget, in fact, in this Budget of last year, if my memory serves me correctly, the Honourable Minister spent six or seven pages as to why they could not take no action that could anyway impact on the foreign reserves and how important foreign financing was. That was the reality and break it down. They expected to get \$47.4 million in project financing from the Inter American Development Bank, the World Bank and the Caribbean Development Bank. Things are so bad that we did not even have any room from the European Union projected. Although I hear, and I hope we will be able to resuscitate that avenue of financing, particularly in the energy programme with Inter-American Development Bank.

Sir, what is the reality of the funds for project financing? Would you believe we were told that they would get \$36.8 million from the Inter-American Development Bank for project funding?

Do you know how much the Government got? Less than \$10 million, \$9.8 million to be precise 20 per cent of what they asked for. That tells a story in and of itself, that I will come back to with the IDB.

They told us they would get \$9.5 million from the World Bank and that, as you know, we can only now borrow from the World Bank for the HIV/AIDS Loan because the World Bank graduated us almost 20 years ago. In fact, the last major loan from the World Bank was the Education Loan of the last Democratic Labour Party Government in the 90s when they intended to charge tuition fees at UWI, the Samuel Jackman Prescod Polytechnic and Barbados Community College and it may well be that later this year, it may be a case of *déjà vu*, a repeat of past occurrences.

Sir, of the \$8.5 million from the World Bank, the Government has only secured \$2.5 million, so you come to this Chamber and say you are going to get \$36.8 from IDB, \$8.5 from the World Bank, and you get \$6.3 from the IDB and \$2.5 from the World Bank. Then you say you are going to get \$2 million from the Caribbean Development Bank and you get \$1 million. Do you know what is worse, Sir, that the original Medium-Term Fiscal Strategy and indeed the Revised Medium-Term Fiscal Strategy were both premised on financial assumptions that have never become real.

Sir, \$1.3 billion of concessional funding was the platform upon which the Medium-Term Fiscal Strategy was originally built and when we said that it was impossible, it was unreal, the Government denied it but the evidence is now here laid there for all of Barbados to see; that the \$1.3 billion cannot even get to \$100 million in the last three years.

At some point this year it is not even going to be about who believe whom. Who believe the Bs, the Ds, none of that. It is purely about people's ability to survive in this country and that is what it is coming down to. These figures are not just numbers on a page. These figures reflect the ability of people to work in this country, to employ people in this country, to earn money in this country, to pay bills in this country and to have the flexibility to do creative things to help those who are least capable of helping themselves; flexibility that would give a Government that says that it cares, an ability to come in there and say we need to give you more than the \$22 million in Welfare payments because we understand that poverty is up 13 per cent to 20 per cent by yet Welfare stays the same.

When I come to the details of the Estimates, you are going to understand the horror story for ordinary Barbadians. Sir, the financing does not stop there. The financing goes to domestic financing. I want the House to bear with me and understand because this is page 8 of the Estimates.

In domestic financing the Minister told us he was going to get \$754.8 million. Having under performed with the foreign financing that he ideally would prefer to keep the foreign reserves insulated, he now then increases the level of domestic financing by an astronomical amount of more than \$300 million. Sir, more than \$300 million in domestic financing from what he asked this House to approve last year and how did it happen because in that lies another tail.

There was an excessive reliance on Treasury Bills, short term paper, 30-day, 180-day, and you know why, Sir, let me break it down because I am no financier but I understand the basics, we pay less interest on Short Term Paper than we pay on Debentures. You might pay 3 per cent or 4 per cent on Debentures but you are paying 1½ 1.8 per cent on short term paper, so it is a way first and foremost to keep your interest costs down. The problem is that it is only somebody you can direct who are going to agree to roll over and roll over short term paper, because anybody who is operating from an independent mind will understand that there is a decrease in revenue from the interest; a decrease in interest revenue that 1.8 per cent is less than 3 per cent; that 3 per cent of \$1 million has to be more than \$1.8 per cent of a million and by extension \$30 million and \$50 million.

And what is equally happening - and this was raised in this Honourable Parliament last year and this paper was made a document of the House already - that a Central Bank Board Meeting deliberately increased the amount of primary issues that the Central Bank could hold, because of a number of factors. Sir, if my memory serves me correctly, it made the point very clearly that there was a reluctance of some banks to increase their exposure, even though the domestic liquidity in Barbados remains high.

I pause, Sir, again, because once again it is not the Barbados Labour Party. The Central Bank of Barbados released on Friday this last one, a Financial Stability Report 2012 and at page 42 of it, it makes the very clear point that approximately ¾ of the new issues during 2012 was taken up by the National Insurance Scheme and insurance companies. That the NIS continues to be the majority holder of Government securities with 50 per cent going to them, while insurance companies and commercial banks hold 17 per cent and 12 per cent respectfully.

The commercial banks in Barbados, in spite of the excess liquidity that it has, which is referred to in this same Financial Stability Report has effectively been refusing to hold Government Paper. Sir, this is a serious matter and this was a matter that we first adverted to, in relation to the Central Bank Board Paper from 2011.

Sir, in 2011, the Central Bank made the point of the increase in the holding of primary securities, primary issues from \$120 million to \$250 million so that they would not have to have a problem. They could not in anyway increase Government's overdraft because the Barbados Labour Party Government back in 1994 put a limit on the Ways and Means Account of 10 per cent of projected revenue. Sir, if you look at the figures, in almost every month of this last financial year, the Government was up to the limit of the over draft, which according to last years projection of \$2.62 billion would have been \$62 million.

So that almost every month the overdraft in the Central Bank was up to nearly \$261 million so they could not go there and what they therefore tried to do was to mop up because in the case of the NIS in 2011. The NIS made an appeal that it could not and did not want to hold more of Government securities at that point in time. By 2012, the NIS was taking 50 per cent of Government paper again.

What is the story? The Government told us last year that they would rely on no more than \$84 million in Treasury Bills. Listen to me, Mr. Speaker, \$84 million. Would you believe, Sir, that the Minister of Finance presided over a Ministry that would have financed this deficit by \$266.6 million?

In other words, that is an increase of short-term borrowing of over 215 per cent from what he projected. Now, what are the risk to the Barbadian people?

When you have short-term loans, Mr. Speaker, there is a rollover risk, short-term paper. After the 30 days or after the 180 days the person who holds the paper can say I do not want to hold this anymore, and what is the reality. The Financial Stability Report says that 50 per cent of this paper may be held by the National Insurance Scheme last year but 17 per cent by insurance companies. Some insurance companies like Sagicor and others, which by the way have also had difficulties with write-downs and losses in the Jamaican market because of the Jamaican exchange transaction in respect of their debt, but 12 per cent are still held by banks...

What is the profile of banks in Barbados today? There are two banks owned by Trinidadians and the rest are owned by Canadians. People will make decisions on whether to roll over this short-term debt not because of an acute familiarity with the Barbadian situation or the situation of Barbadian workers or businesses but on the pure numbers of exposure in relation to the Barbados market and the quality of Barbados Government Paper.

The quality of Barbados Government Paper, as we all know, has been significantly impaired by the two downgrades of 2012, Standard and Poor's in July and Moody's in December. Sir, these people in charge of the risk departments in Canada and in Port of Spain are making decisions on whether to keep rolling over the money, the paper, to the Barbados Government in circumstances where the Barbados Government has allowed a situation of a downgrade of its credit rating to take place not once but twice and may well be at risk again depending on the performance of this economy. Sir, this is to put yourself at the mercy of others and that is the danger of the programme of domestic financing, short-term financing, that this Government has undertaken in the last year.

The question, Sir, is: Why is it that they are not getting more debentures and medium-term papers out there? Is it that there is no appetite for it? Why is it that there is this excessive reliance beyond that which the Minister thought prudent last year when he came here?

Sir, it is significant that this is an issue that remains unaddressed after today's debate in this House. We have a Minister of Finance that spent three hours today talking and at no point did he address the risk and the challenges that he is facing in financing the deficit of Barbados in circumstances where the deficit has been severely affected by having a current account balance on the fiscal side that is twice as bad as what he projected.

Let me go further, Sir. We have a Minister of Finance that at no stage today set out as an objective of this Government's economic programme, captured by these Estimates, the restoration of investment grade to Barbados' credit rating. We did not hear about that today. When you come with a budget, you set goals and objectives and then you use the budget to achieve those goals and objectives so that Barbadian companies like the Barbados Government are both facing increased interest costs and in some instances an inability to easily secure loans because of the junk status of our credit rating. For the umpteenth time junk status would mean that pension funds and other institutional investors cannot take up Barbados Government Paper because they have a fiduciary duty only to invest in investment grade paper. In normal circumstances that might have been the position of the National Insurance Scheme too which manages a pension fund but it is in Barbados and obviously has taken a slightly different posture than other pension funds but it is not only the Government. When Barbados companies now seek to raise money and to borrow money, those companies are equally now facing increased costs of borrowing and in some instances a tightening of the sources available to be able to borrow from.

Mr. Speaker, that is the serious nature of what we confront and it is why we are so concerned that the Minister has not set out the re-attainment of investment grade as one of the primary objectives of this Government as it sets out in the next fiscal year, 2013-2014. Sir, on top of that there is no discussion as to why you have an excessive reliance on short-term funding and no discussion as to why the Inter-American Development Bank, the World Bank and other concessional funds are not being taken full advantage of.

Mr. Speaker, somebody described it to me of robbing from yourself. You are robbing yourself. If somebody makes available to you \$47 million in low interest money, money that is much cheaper than you can get from anywhere else and you failed to take it, the only body you are hurting is yourself, you are robbing from yourself.

Sir, what are the facts in relation to the loan, the loan portfolio of the Inter-American Development Bank, so that the public better understand when we say this Government is not acting, this Government is failing to act, this Government is not putting the country's interest first when it allows these projects to languish. It is frightening.

Sir, you have a Housing and Neighbourhood Upgrading Programme negotiated by the Barbados Labour Party but approved on January 16, 2008. In fact, it was approved the day after the elections when we lost. I remember when the Honourable Member for St. Philip North went with the former Prime Minister to sign the loan

in 2008. That was to bring upgrades to Greenfield, a place where last Thursday night I had to go with the Honourable Member for the City of Bridgetown where five houses once again were on fire, two totally destroyed and three damaged, but four years later the people of Greenfield cannot still get any relief from a programme that was designed to be able to upgrade their circumstances and to remove from them the tragedy of the risk that if something happens to one house there is an extraordinary high chance that it would affect the other houses because of the cheek by jowl nature of the placement of the houses as happened Thursday night last week.

Mr. Speaker, it was to also upgrade the Garden Land. The Honourable Member for St. Thomas spoke ad nauseam in here for the last four years about what it was to do up in Allen View in St. Thomas, nothing. She has written letters to which she has had no responses for years. Sir, I can better understand now why a US\$40 million of which US\$30 million was to come from the Inter-American Development Bank, the Government has only seen and had \$2.5 million out of that \$40 million disbursed in almost five years, the middle of this year would be five years, to help poor people in this country, people who live in conditions that all of us bar none agree are unacceptable. Not a Barbadian would feel that they should continue living under that, but US\$2.5 million was disbursed.

Mr. Speaker, I am sure that your constituents are upset that the promises in the town hall meetings and everything that you have gone under. I am sure you had pressure about it a few months ago too.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, regarding agriculture, health and food control programmes, the Minister of Agriculture has complained ad nauseam of the inability to do certain things in the agricultural sector, one of them is the exports to Europe. There are countries in the Caribbean that are not as developed as we are, that currently export fish and meat to Europe. The one thing that is standing in the way of Barbados being able to do that is the appropriate phytosanitary standards, the legislation and the laboratory that will do the appropriate testing so that our fishing industry, which is the most mature and advanced in the eastern and southern Caribbean, indigenous-wise that is, can do so.

Sir, the one thing I learned when I did the arbitration was the extent to which Barbados had a competitive advantage in fishing. Sir Grantley Adams changed it from sail to engine and the former Honourable Member Sir Harold St. John changed it from engine to ice boats. While it is ripe for a further change again, the point is that we are in a position to have access to markets but because the Government of Barbados signed a loan approved in

December 2009 and to date a US\$28 million loan has disbursed the paltry sum of \$669 331. Sir, this is not even US\$1 million that is being made available to this Government to allow the Minister of Agriculture to bring good news and tidings to the fishermen and other livestock farmers of Barbados, so that they could earn foreign exchange from exporting to Europe. Sir, instead, money is made available but after almost four years less than US\$1 million has been disbursed by the Inter-American Development Bank.

Asides.

Hon. Miss M. A. MOTTLEY: You can go on the website, this is public information to every Barbadian. Mr. Speaker, we complained about the inability to earn foreign exchange. The Minister told us that agriculture was down. We know tourism is down. We know every productive sector is down, and when you have an opportunity to build a platform to earn foreign exchange to get exports, the Government for four years - this is not the Barbados Labour Party who you can blame, this was approved in December 2009 - less than \$1 million was disbursed.

Mr. Speaker, the Barbados Water Authority and Sanitation Service Authority system upgrade also approved a loan for US\$53 million in December 2009. The Honourable Member for Christ Church East made a lot of noise in December 2009 and 2010 about the importance of this. This was the counterfoil to the 60 per cent increase in water rates. This was part of the plan that justified the 60 per cent increase in water rates on the backs of ordinary Barbadians because they were getting this concessional money to be able to augment Barbados' water resources and to laying new pipes, so that people across Barbados could undergo developments and we could have a chance to expand economic activity in areas such as St. Philip and Christ Church, where developments are being constrained because of the lack of access to water.

Mr. Speaker, what are the facts? Sir, US\$53 million of which \$3 million is counterpart funding, and I suspect in many cases it is the absence of the counterpart funding that is constraining these loans. We certainly do not have a figure of \$6 million here for the Barbados Water Authority today to allow it to be able to advance its execution of the release of this US\$53 million in loans.

Mr. Speaker, to date, the sum of US\$1.78 million of the US\$50 million that the Inter-American Development Bank is to put in has been disbursed. Sir, less than 4 per cent of the loan, after Barbadian households and businesses had been paying the 60 per cent increase in water rates they were told was companion to this loan. The former Prime Minister told us to hold strain. He met at the Gymnasium with the staff of the Barbados Water Authority. Do you remember? He told us that he was asking us to hold strain

and to play our part because the Government was going to undertake a programme of redevelopment of mains and the augmentation of water resources. In other words, getting more water. He asked us to do that because they were about to secure and they finally secured US\$53 million loan, of which US\$3 million was to come from the Government of Barbados and US\$50 million from the Inter-American Development Bank. Sir, almost four years later less than 4 per cent, \$1.7 million has been disbursed.

Mr. Speaker, I can go on and on and on. Sir, there is a Coastal Risk Assessment and Management loan, the sum of US\$30 million by the Inter-American Development Bank and US\$12 million by the Barbados Government, a total of US\$42 million which was approved in 2010. We want to know what is the status of that. We want to know what is the status of the Sustainable Energy Investment programme from the Inter-American Development Bank, in the sum of \$10 million, signed December 2010, with only the sum of 2.1 per cent disbursed after three years. In the scheme of things that is a lot, that is 20 per cent, yet renewable energy is the buzz word.

Sir, officers complain that when they go to the Enterprise Growth Fund Limited for rebate on their air-conditioners, which was announced in this Honourable House three years ago, they are being told by the Enterprise Growth Fund Limited that the money is not available because the programme has not yet started. Mr. Speaker, I want to repeat it, businesses that want to change out their air-conditioners have been told repeatedly that the rebates are not yet available because the programme has not started. I know this because I know some of these people.

Sir, when we say that this Government makes pronouncements after pronouncements after pronouncements, you would catch a heart attack having to wait for some of these things to happen. We had a situation where people in good faith and in straightened circumstances wanted to bring their electricity bills down but cannot do so, resulting in killing off small businesses generally - tourism, small business, all kind of businesses - and you have loans sitting down from the Inter-American Development Bank yet to be disbursed or that have minimally disbursed.

The European Commission is to complete on the Public Sector Smart Energy Programme. The total cost is to be US\$24.6 million. We are waiting for that, even to get out of the ground because the European Union will be co-funding that with the Inter-American Development Bank.

The support for the Public Sector Smart Energy Programme which was approved January 2012, we are waiting for that US\$7.6 million to be disbursed. Sir, when I say that we are robbing ourselves, I do not say that with any sense of glee.

How can the Government of Barbados be given an opportunity to receive help from a third party on a concessional basis and we look at the people, just smile, do nothing and know that unemployment is up by almost double and know that Government revenue is down by \$235 million and that it is down every year and we do nothing. Sir, know that the foreign financing is not meeting the targets that we set out for it and in this next year, what is the consequence of it, that the Government in these Estimates tells us that it is going to the market to raise a bond of US\$175 million but the Minister does not talk about it today. Sir, it is not for projects, it is to help the financing of the deficit and, Sir, why is the deficit being occasioned. The Minister himself last year went on radio and told us that he is borrowing to pay 7 000 public servants a month. Sir, those are not our words but in spite of that, there is still an increase in these Estimates for the National Environmental Enhancement Programme at page 275 of the Estimates and, Sir, what does it say? Sir, having told us that he has to borrow money to pay public servants, we know come here in circumstances where the Barbados Tourism Authority is still not getting what it needs to pay back the \$36 million that it owes to overseas creditors and to run a proper marketing programme to bring back up our numbers.

Mr. Speaker, Invest Barbados is getting less money than it got the year before; IDC is getting less money than it got last year and none of the productive sectors are receiving what they need to restore this economy to growth but the National Environmental Enhancement Programme other known as NEEP or debushing is moving from \$4.4 million last year approved, it was revised already this year to \$5.6 million and it is going to \$7 million as of April 1, because of the increased numbers that were taken on pre-elections but the Minister would get in here and tell us that this is not a Government that engages in political spending. Sir, I do not mind if you did. If you, you should say so but do not come in here and tell this Honourable Chamber that you did not engage in political spending and that everything you did was sustainable.

Mr. Speaker, I am saying to you that I would like them to go and clear the bush right there at the corner of Bridge Road because in spite of all the numbers they had falling over each other in Waterford Bottom, would you believe that there are two feet of weeds into the road by the traffic lights at Bridge Road. Sir, if you doubt me, go there when you leave here. Sir, if you go there, you will be believe it.

Asides.

Hon. Miss M. A. MOTTLEY: Sir, obviously, I am stepping on the corns of the Honourable Member for Christ Church East because he has opened his mouth for the first time for the day.

Mr. SPEAKER: Honourable Members, if you need a break, we can take one now otherwise, let the Honourable Member continue.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I quite understand why it has energised the Honourable Members on the other side because debushing is the only item of expenditure in this big green book of 400 and something pages that has increased by 60 per cent. This can now be called the debushing Government. I do not know if it is because it starts with the syllabl "d". I do not know what it is but this is now the debushing Government for other than debushing, the Minister of Finance come here and ask us to hold strain. Hold strain, the Member for St. Michael South Central, we are going to give you a bag to hold water in because you must not be allowed to get any improvements in tourism. Hold strain the Honourable Member for St. James South because you cannot get any increases in international business or industry, in fact, you are getting cuts. Hold strain the Minister of Agriculture because you are making too much noise begging for money already, so you cannot get a cent. The only body who can get money in here is the Honourable Member for Christ Church East and the National Environmental Enhancement Programme. Well, Sir, we already know that the problem the Honourable Member for Christ Church East has is that if the Minister of Finance does not put in the money, he is still in trouble because I am told that there was a deliberate effort to make that people were hire with two year contracts and three year contracts so that the Ministry of Finance does not even have the luxury of doing what it may feel it may otherwise has to do but, Sir, that is a tale for another day. Sir, I am leaving that alone today because a day of reckoning will come.

Mr. Speaker, in fairness to the Minister of Finance this time, he might be like a certain Commissioner of Police who said, "My hands are tied behind my back", because the contractual liability might still be there whatever happens because it was done in the event that the results of the elections were different from they are today but, Sir, such is life.

Mr. Speaker, I make the point that while we therefore go and say in these Estimates that we are going for \$350 million for non-project financing, it means that it is not for the water programme that I just referred to. It is not to increase export through the National agricultural Health and Safety organisation. It is not to protect Barbados' coastline, which continues to be in jeopardy. It is not for food security, it is not for alternative energy, it is not for tourism, in our view, Sir, it is for budgetary support and also to boost the foreign reserves.

Mr. Speaker, the question, therefore, must be this: \$350 million to be accessed at what terms? You are now not investment grade. What is the market going to charge

you to access this \$350 million? What is the additional interest cost? Are you going to try and ensure investment grade before you seek to go to the market for this \$350 million? Who are you going to be able to borrow from and at what cost? Sir, all of these are issues that you would normally have expected a Minister of Finance to address in this debate because this is the Appropriation Bill debate and it is in the Estimates and it is the only sum that is proposing to raise under foreign non-project commercial funding but yet nothing is to be told.

Mr. Speaker, why is it important? This Government and the same Minister made a big song and dance last year this time that he was not going to borrow any money from the foreign markets in this financial year having borrowed a US\$70 million the year before. Sir, if it was big deal a year ago this time not to borrow, how can you now put in a sum that is more than twice what you borrowed in 2011 and not a word about it to this Honourable Chamber. Sir, when you borrow that kind of money, the people would normally expect that you are going to build something that is going to earn for you in the future to be able to help you pay back the debt but the people of Barbados will have to finance this debt on their backs because it is not adding a yen of capacity to this country's ability.

Mr. Speaker, Sir, we have grave concerns about the financing of the deficit. Sir, this Government came here last year and said that they were going to for the sixth straight year not be able to pay their monthly bills.

Sir, \$277 million was supposed to have been the projected current account fiscal deficit, but then again for people who are listening, simply, the Government is unable to meet its wages and salaries and buy the goods and services to keep Government ticking over week to week, month to month. They could not do it in 2008. They could not do it 2009. They could not do it in 2010. They could not it in 2011. They could not do it in 2012, and now, Sir, we are being told for the sixth straight year they cannot do it. So do you know why this is disturbing? We are now accepting the abnormal as the normal.

There was an article written only this year by the President of the Barbados Economic Society that is worthy of reading by all Barbadians. He set out in very simple and very graphic terms what has been the history of fiscal current account deficits in Barbados since 1955. They have only up until this document in ten instances in 57 years that the Government of Barbados was unable to pay its bills, 1962, when the Government of the late Right Excellent Errol Barrow ran a current account fiscal deficit of \$600 000; 1973/1974, they ran one, I believe of just over \$12 million; 1977, when the late Tom Adams ran one of \$1 million; 1988/1989, when the then Sir Lloyd Sandiford ran one of \$23 million; and 1991, when the same administration ran one of \$7.8 million. Do you know when

the other five instances were, 2008, 2009, 2010, 2011, 2012 and Mr. Straughn can now revise his article and add 2013. Sir, six straight years in circumstances where up until 2008, in 53 years, the Government of Barbados has only five times ever been unable to pay its bills.

In fairness to the Honourable Member for St. Peter, not once between 1994 and 2007 was that the fate of his stewardship of the Barbados economy, and we are now to accept the abnormal and the level of underperformance as a badge of excellence, in a country that has distinguished itself previously by being able to reach for the heights and for the level of fiscal prudence that the world has admired among developing countries.

Sir, I say we expect more from the Minister of Finance and this Government and forget now the divisions. What is the programme, the elections are over, what is the programme to put Barbados back into a situation where we do not mortgage away the future of our children because we are unable to meet our monthly bills? What is the programme to avoid mortgaging the future of this country because we are unable to pay our bills? Can the Minister tell us how, when, where and what he will cut? Mr. Speaker, through you, could you please ask the Minister, Sir, to turn to Page 4 of the document he has laid? Could you please ask the Minister, through you, Mr. Speaker, to read how much he has cut education in this country since 2011? Could you please ask the Minister, through you, Mr. Speaker, whether he has not up to this year cut it by \$105 million and proposes a further \$7 million cut starting in April, in education alone, coming princely sum of \$112 million less than there was in 2011/2012. Sir, Table 5, and I ask Members to look it.

So when he talks about tell me where, when, how and what to cut, he did it looking fully at how much was cut in education. I emphasise with the Honourable Minister of Education who out of loyalty may not be able to speak but who have felt every lash and every cut in the Ministry of Education to the point where teachers and Principals are complaining that if they do not carry to school toilet paper, if they do not carry to school food, if they do not carry to school chalk, they are schools in Barbados that are not capable of functioning. Sir, I hear Oh! Oh! Oh!

Sir, ask the Member... this is the problem. I find when anybody tells the Honourable Member for St. Michael North West there is a problem, his immediate response is to quarrel and curse. Just like the private sector who said in January, "You owe us \$49 million. We are going to have to send home people. We cannot pay Government money. We cannot pay suppliers." What is the Minister's response? Not come and see what I can do with some of it, but he got in St. Michael North East at the nomination of my opponent and tell the people, "You cannot tell me how much I owe you because you owe me

\$300 million." Sir, these are the same businesses that you want to employ people. These are the same businesses that you want to earn foreign exchange. These are the same businesses whose performance will determine whether this economy is capable of growing or not, but what we have is a political approach to substantive serious problems of viability. It cannot continue, Mr. Speaker.

Sir, you can curse anybody. As I tell you, you only make noise when you hit two hands but this does not make any noise. The fundamental point facing this economy is, there are too many businesses and too many households that are literally on the back foot, out to the baller. When they make an appeal for assistance, it is interpreted as an allegation or an attack rather than a simple plea, look I cannot make wages. I cannot pay my suppliers. If I cannot pay suppliers I cannot sell products. I cannot sell services.

Sir, when it comes to the small businesses and private sector figures, I will read them out. So when I say to you that the cuts that come in education to the tune of \$112 million.

Asides.

Hon. Miss M. A. MOTTLEY: I am coming to health. Yesterday in my constituency there were people in the constituency and the Honourable Member for St. Michael South Central and the Prime Minister, children last week whose meal is school meals, was not the usual side dish of orange or whatever fruit, some kind of meat and some kind of starch. It was a scoop of macaroni pie for the whole day, a scoop of macaroni pie. I do not know whose fault it is. I just know that is what is happening in Barbados today. So when I tell you these numbers tell a story, these numbers tell a story because this House will vote \$30 million for school meals. It is not an arbitrarily exercise. It is to feed 28 000 primary school children and a couple thousand secondary school children. That is the story in health.

Sir, the Honourable Member for Christ Church South would read that the Ministry of Health got \$408 million in 2011-2012, but when he takes out his calculator and adds up Head by Head in health, what is he getting, \$400 million. He gave you a bag to carry water, the Honourable Member for Christ Church South.

Mr. Speaker, you know when the Supplementary came in this House this year, we were told by the Honourable Member for St. James South, "You know the Queen Elizabeth Hospital cannot survive without \$200 million." So who are these figures to please?

Asides.

I am coming to Welfare too. I have all of them here. The General Public Service, well I suppose elections done, so you all could take a cut now.

Sir, \$38 million less for the general public service from last year that is 2012 and if you could go to 2011, \$46 million less so there is a need to give the General Public Service but we are being told, tell us how, when, where, and what?

The embarrassment comes, Mr. Speaker, not on that, you know, let me tell you where the embarrassment comes; that the Honourable Member for St. Michael North West brought the Medium Term Fiscal Strategy and told us at page 17 of that Strategy, when he asked us to approve it in November 2011, that he intended to cut expenditure in this financial year by $\frac{3}{4}$ of 1 per cent of GDP and then equally in 2014/2015 based on GDP of \$9.2 billion, that effectively, Sir, is \$70 million to \$75 million in cuts that the Minister is indicating. I suppose, Sir, it is too recent against the victory of this Government to speak the truth as to the cuts that are here.

We heard that this Government wanted to protect the most vulnerable but yet, Sir, social security and welfare are to get \$21 million less in 2013 than it got in 2012. Social Security and Welfare are to move from \$294 million to \$273 million. If you want to be specific, Mr. Speaker, look at the issue of welfare itself and note that the Welfare Department is going to, at a time when poverty has gone from 13 per cent to 20 per cent has more than expanded in this country and at a time when unemployment continues to rise, that this Government is in fact not increasing the welfare vote but is giving it \$2 million less, Sir, than it got two years ago.

Sir, this is supposed to be the caring Government and I expect Members on this side will address this issue in detail over the next few days because you cannot tell me that you care and that you understand suffering is taking place in Barbados and that you understand there are people who cannot make ends meet. We see them in the supermarkets all the time. They start to pull out things and go on the cash register and when the cash register starts reaching a certain point, they tell the cashier hold there, or if somebody distracts them and they are talking they then tell the cashier, "you see that, take out that; and that; and that," and that is what is happening every day in Barbados.

Sir, I am concerned that these Estimates do not reflect a consideration for the people. Under housing and community amenities there is a cut from \$108 million to \$82 million. This is the categorisation of the Government so that the Government will spend under housing and community amenities \$26 million less than it spent in 2012 but a Minister wants to speak in here in a manner that reflects a level of confidence, even if not accuracy as to

where the cuts will come from, when all he had to do was to read his own document at Table 5, page 4.

Sir, under Other Community and Social Services, is a further cut of \$16 million from this year. In 2012, you spent \$122 million on that, next year you are planning to spend \$106.9 million. Finally, Sir, and this is the big one, all of us who thought that there was going to be an opportunity to restore Barbados' economy back to growth have found out the hard way that there is no intention to return this economy to growth.

Economic Services, Sir, will receive a cut of \$40.2 million and what are the economic services that are going to get \$461 million instead of \$502 million? Hear what they say in this document. It includes trade and industry. It includes agriculture. It includes roads and civil aviation and tourism and lands and surveys and labour so the very things that we would have expected a kind of adjustment, to ensure that the people of Barbados could feel that this Government was going to take us back on a path of growth are the very things that have been the subject of arbitrary cuts in this document that is before the House.

Sir, we expect to see and we would have voted for a vote that would have allowed the Minister of Tourism to clear the \$36 million the Barbados Tourism Authority owes to its foreign and overseas partners and then a proper sum of a minimum of \$125 million to get the job done, in order to be able to put tourism back on a growth path in this country but what do we have instead, Sir, a tourism industry that is struggling, hotels that are closing left, right and centre.

Asides.

Hon. Miss M. A. MOTTLEY: Sir, you know, I expect them to say so, Sir, because look at the facts and come down the line.

Sir, up to the 7th of March, the United States of America was down by 14½ per cent or to be more precise, \$3 708 tourists less landed from the United States of America in the year 2013 down to the first week of March. Canada 3 362 less tourists, 14.3 per cent down; the United Kingdom 1 832 less tourists than last year this time, down 6.4 per cent; Trinidad and Tobago - do you think it is only outside - 2 095 tourists less or down 31.8 per cent; CARICOM that initially carried us in the early years when the recession was hitting home, there it was growth in the CARICOM market; that the Honourable Member for St. Michael South Central used to trump that and Canada to carry him home; Brazil up by 183 tourists, Germany up by 673 tourists; I am not going to call selectively. Other Caribbean and Latin American markets are down by 280 tourists; an overall position, Mr. Speaker, where 10 972 fewer tourists have come to Barbados in the year 2013

down to the 7th March, a reduction, Sir, of 9.2 per cent for the year.

Sir, this is the Winter Season. I want to repeat myself, Mr. Speaker, this is the Winter Season. This is when traffic as well as revenue is to be at its highest and what we have instead, Sir, is an apocalyptic situation that causes the people who owe money to the banks, hotels, visitor attractions, when are they going to be able to pay the people that they owe in these circumstances? What is down? Sandy Beach Hotel, Sandy Bay as it was called after, remains closed in Worthing. Peach and Quiet and the big, big one of Almond, closed a year ago, Mr. Speaker.

In a speech, the Government has said that it would be brought back into operation to minimise the declines of the Barbados tourism sector.

Asides.

Hon. Miss M. A. MOTTLEY: Yes, in the Throne Speech. Sir, when I see certain responses I know what is happening.

Sir, do you understand what it means that Almond Beach Village is closed? Do you understand that Almond Beach Village alone would have had a contract with a major drinks company in Barbados for over \$1 million a year and that drinks company now would face \$1 million less in revenue and is therefore under pressure to keep the same level of staff it had up until the beginning of 2012?

Do you understand, Sir, that there are companies that supply food that are down \$300 000 to \$400 000 a month because Almond Beach Village is closed? Do you understand that there are taxi drivers, hair braiders and all other kinds of people who supply services in St. Peter to Almond Beach Village who have not earned a cent since that hotel closed and we could have the kind of banter in here that causes you to feel that this is okay and alright as business as usual?

I say to you, Sir, that I was one of the ones that said yes, that I would have supported the Government spending money last year urgently because I feel that when your tourism product is on the brink that you cannot afford to go through two winter seasons, I do not even think that you could go through one properly and that is what this decline of 9.2 per cent is about...

When was the request of Government made for help? The people at Neal and Massey said that they went to the Minister of Tourism and the Minister of State from as early as August 2011. Sir, that is not a secret, that is what they told all of the shareholders in April at a meeting. They said that they spoke to the Prime Minister and all in December and in spite of putting the matter on the table

from August 2011 nothing happened and, here were their words, they had to do what they had to do to protect their shareholders and hence the closure of the hotel in April 2012.

I say to you, Sir, that this is shameful and it is shameful because I feel that the Government could have intervened earlier. Sir, the sad thing about it is that Almond Beach Village is a hotel well-known to most people on that side starting from the Honourable Member for Christ Church South coming right down. They would have had occasions to work with Almond Beach Village on different occasions during their working lives and therefore one would have thought that there would have been a natural sympathy to the fate of the very hotel that helped employ you at different times and helped keep people getting a cheque when the month comes as we are asking the Government to do for the many unemployed now who are not getting money. I say, Sir, that...

Asides.

Hon. Miss M. A. MOTTLEY: I did not know that the Honourable Member for Christ Church East Central is so anxious to protect the Honourable Member for Christ Church South, I never knew it but you learn things day by day.

Sir, I am saying to you that the failure of this Government to protect and to ensure that Almond Beach Village comes back on has implications beyond the reduction of money to large companies, small companies, taxi drivers and hair braiders, that it also has implications for Barbados' airlift. We all know that airlift is not something that if you lose it you can get it back overnight from anywhere because airlift capacity requires negotiation and in many instances today, marketing support. In fact, over the course of the last three or four years, we have lost Delta, US Air, American Airlines out of Dallas, which gave us that mid-western connection, which you now have to come through Miami for the two flights, and I am told that we almost lost JFK with American Airlines because of delayed payments on the part of the Barbados Tourism Authority.

Sir, when I say to you that I would support an increased vote for the Minister of Tourism, it is because I know that we are now relying on the goodwill of Barbados' overseas staff working with the tour operator partners and others because all of the hoteliers and the Barbados Tourism Authority would tell you that there is virtually no presence of Barbados in the marketplace for the last year, there was no 2012 marketing programme and that we have been unable to capture any space in the market because the Barbados Tourism Authority has been starved of funds.

Sir, what is the story for 2011-2012? Let us tell the truth because the Minister of Tourism may feel hard-done that he has to carry the burden alone. The Barbados Tourism Authority was given \$94 million in this year that is now coming to an end and what is the story of \$94 million. Immediately \$6 million was reduced because of the \$6 million that was given in the year 2010-2011? While the Ministry of Tourism thought that the Barbados Tourism Authority was getting \$6 million to keep, they did not know that the \$6 million would be deducted as soon as the next financial year came. That is the kind of smoke and mirrors that this country is being put to, so that instead of it being \$94 million, it then became \$88 million and then the \$88 million was never \$88 million because they got immediate notice that they would only be receiving once of about \$77/\$78 million for the year, so that the Barbados Tourism Authority is relying on the goodwill of its officers in the overseas market to get anything going with the tour operators.

Sir, what is the question that is therefore being put? Our numbers are down but it gets worse. We have known for some time and in a sense that is what Almond Beach Village and others suffered from... You have increased fixed costs and electricity. The fuel oil prices of electricity have gone up by three times so that there are hotels in this country that are facing fearsome electricity bills and simply cannot make it. There are hotels in this country that have had to face the increase of 60 per cent in water rates. There are hotels in this country that are facing increased interest costs in many instances for overdrafts because if you cannot get your cash flow going you have to live off of overdrafts. If the cost of money has increased, the cost of electricity has increased and the cost of water has increased, then you would expect that unless you can get an increase in your hotel rates, you are going to have a reduction in revenue and that is exactly what has happened to Almond Beach Village and a number of other hotels.

Mr. Speaker, we are seeing in the same Financial Stability Report and in the Central Bank Report that the people who are suffering in terms of the increased in non-performing loans in Barbados, that almost 43 per cent of them, I believe, come from the tourism sector. I want to repeat that, Sir. There is an increase in non-performing loans in this country. The Governor of the Central Bank spoke to it in the December 2012 Press Release. He told us that instead of it being 11 per cent in 2011, it was now almost 13 per cent, at 12.7 per cent, that is almost a 20 per cent increase in non-performing loans.

Mr. Speaker, in the Financial Stability Report, there is a clear indication that a number of the assets that are causing concern within the banking sector are, in fact, hotels and tourism attractions. Sir, do you think it is only hotels that have been closed? The Plantation's "Roots and Rhythm Show" was closed, the ATV vehicles are down,

the Graeme Hall Nature Sanctuary, well, we have known that has been closed for three or four years. There is then things like the Concorde Museum which is opened only three or four days a week instead of being opened the whole week. In almost every instance, whether attractions or hotels, the story is one of companies struggling to survive in this country.

Mr. Speaker, if these companies are allowed to go under, if you ever get growth going again, you are going to face the situation that you have no companies earning for you and in circumstances, you must always remember it is not Government who earns foreign exchange, it is not Government who earns profits to employ people but it is businesses. Therefore, the viability of enterprises in the tourism and other sectors must be of immediate concern to this Government.

Sir, this brings me to the point that one of the reasons the hotels are also in trouble is not only increased fixed costs like electricity, water and interest costs through overdrafts, it is also reduced average daily rates because a number of hotels are urgently in need of rehabilitation. Barbados has a mature tourism product and any tourism product needs refreshing every four or five years, but what you have is the absence of a dedicated source of funding at concessional rates to allow the hotels in this country to appropriately refurbish without going under. If your hotel is under-capitalised and you are already over-leveraged because you owe so much money and you are now facing increased fixed costs, who is going to lend you money to fix your hotel? What is sad is that last year the Minister of Finance came with more fanciful proposals and I would only ask the Minister of Tourism how many hotels have as yet benefitted from it, but would want to cry down the establishment of a \$500 million fund that is not funded by the Government of Barbados, but it mobilised by the Government of Barbados because it mobilises concessional and other funds from elsewhere to make available to the tourism sector to be able to borrow at concessional rates.

Asides.

Hon. Miss M. A. MOTTLEY: If the Government is interested in how it can happen just ask, but do not tell us that it cannot happen because you do not know how to make it happen, because all you are going to do is be an undertaken over the presiding of the death of hotels and attractions in this country. I say to you, Sir, go through the proposals, if the Minister of Tourism has had one hotel benefit from the Tourism Fund that was announced almost a year ago, I would like the Honourable Member to advise this Honourable Chamber about when he speaks in this debate.

Mr. Speaker, in addition, hoteliers have been calling for a reduction in Bound Rates for goods not produced in

Barbados. What are the Bound Rates, Sir? Sir, when the World Trade Organisation was formed there was a recognition that we would have to reduce duties across the board and also remove non-tariff barriers, to remove quotas and subsidies, et cetera. When we had to liberalised, the arrangement gave us the opportunity to be able to keep higher tax rates for importation for a certain range of items, largely to help us transition in the protection of our domestic, manufacturing and agricultural sectors. Sir, the income from the Bound Rates typically goes to fund the Agricultural Credit Fund, as well as the Industrial Investment and Employment Fund, which is to be distinguished from the Industrial Development Credit Fund. The Industrial Development Credit Fund was initially funded by the World Bank and the Caribbean Development Bank and that is managed by the Central Bank. The Minister of Finance had a lot to say about that last year, but I will come to that. The Industrial Investment and Employment Fund is managed by the Enterprise Growth Fund Limited and would have been capitalised partially from the income from the Bound Rates. Bound Rates therefore mean higher duties for certain inputs, invariably in the food and beverage sector, so do not mind the fact that nobody in Barbados produces heavy cream but taxes on heavy cream start at an astronomically high level.

Mr. Speaker, I already heard the Minister of Tourism speaking about this, but five years later they still stand at that level.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, there are a number of other items that attract high duties but for which there is no equivalent domestic production. All this does is to push the price of our tourism product up because it means that our food and beverage sector charges more to recover the higher cost that it has to face.

Mr. Speaker, the Honourable Member for St. Michael North has spoken about this ad nauseam for the last few years. How can a sector that is as important to this country, whose national performance... I go back to the report of the Governor of the Central Bank of Barbados, December, 2012. Look at the figures in relation to the earnings of the tourism sector, which have dropped from a high of more than \$2.3 billion, I believe it was, by \$550 million in the last five years, and we are waiting on the out turn for this in 2012 now as we speak. Let me be clear, Sir, tourism has dropped from a high of \$2.37 billion in terms of its contribution, to \$1.9 billion in 2011 and to a figure of 2012 a forecast of \$1.82 billion. Now, Sir, we all know from the Minister of Finance that tourism declined by 6.2 per cent of long-stay arrivals in

Barbados last year. We have all been told that in the last three years not only are we seeing declines in arrivals

but we are seeing declines in spending. Sir, almost everybody in the tourism sector, even the vendors on the beach will tell you that before people used to come and buy, now they are not buying with the same regularity. Sir, therefore, it is a double whammy: reduced arrivals but equally reduced earnings. Sir, in circumstances where this is the fate of the tourism sector, we ask ourselves how can Government continue not to address the fundamental issues that affect cost in this sector.

The Manifesto of the Barbados Labour Party speaks to the commitment to bring down the VAT charge on accommodation from 8.75 per cent where it is now, to 7.5 per cent. What the hoteliers will not say publicly is that when the Minister of Finance increased the rate on them in the 2010 Financial Statements and Budgetary Proposals, he had done that on the eve of the start of the winter season when they had already committed to accepting certain sums with their partners, such that they had to absorb the losses from the increased VAT that had to be paid, which effectively amounted to a 16 per cent differential in what hoteliers had to absorb when the Minister of Finance arbitrarily increased the VAT on the accommodation sector without reference to them. Sir, even though the Minister of Finance had pushed it back by two or three months, the hoteliers were already bound because they make arrangement for the whole winter season and not by month to month.

Mr. Speaker, I can go on and on but I have every confidence that the other members on this side will speak even more to the fate of the tourism sector and the continued reductions both in earning as well as in employment. There are those whose constituencies are deeply affected by it, where they see their constituents not only unemployed but on three days weeks and two and four days in circumstances where it is putting a tremendous strain on the ability of those people to keep their families together.

Mr. Speaker, I sum it up in this way. If the only country that did worse than Barbados in tourism last year was a country where two-thirds of the population evacuated the country because of a natural disaster, then we have truly reached the bottom of the tourism pile. The only country that performed worse than Barbados last year in terms of tourism is Monsterrat. Sir, every country in CARICOM had to face the APD tax but they did not say that they performed better than Barbados because they had the burden of the APD tax. Sir, all of us had to face the same challenges and the question, therefore, is, what is happening to the Barbados tourism sector and the refusal of this Government to reposition it and to apply hard funds to it, in the same way that it wants to increase the debussing by 60 per cent, why can it not increase the Barbados Tourism Authority by 25 per cent to make sure that a sector that is now earning us more than half a billion less in a five-year

period can pick back up itself and lead this economy back to growth. They tell you that tourism is the first to suffer but tourism can be the first to pick back up because of the nature and the structure of the industry.

Mr. Speaker, I am going to be getting into the institutional challenges of the Barbados Tourism Authority because other will and when and why and how it has not been appropriately staff and what are the issue in relation to it functioning because all of that goes into the mix.

Mr. Speaker, I come now to international business. The international business sector by virtue of the acknowledgment of the Honourable Minister of Finance continues to perform poorly. Sir, I can save a lot of time by quoting the Auditor-General in his 2012 Report at page 104 where the Auditor-General asserts in an audit of Invest Barbados, at paragraph 5.5.3 that:

“There is no conclusive evidence that Invest Barbados is successful in (1) marketing and promoting the development of international business in Barbados (2) encouraging and facilitating investment in Barbados and (3) facilitating the establishment of new and indigneous enterprises in the international business and financial services sector.”

Mr. Speaker, this is the Auditor-General of Barbados questioning the success of Invest Barbados in its role to support the international business sector. Sir, do you know what is even more staggering? The comments from Invest Barbados itself. Sir, Honourable Members on this side over the course of the last year used to quote a statement that was made by the head of Invest Barbados on a call-in programme and there are some who would repudiate it and reject it, that it was just hearsay on a call-in programme but in the Auditor-General Report, which is a constitutional necessity is now to be found the formal comments of Invest Barbados, the institution and, Sir, I want to quote clearly and slowly:

“We did express our concerns to the Prime Minister in late 2010 that in the past three years, we estimated that close to US\$300 million in potential investment was lost as a result of bureaucratic delays or decisions that chased investors away, that most projects on which we had worked were still in jeopardy and that about US\$200 million in potential business identified from marketing trips could already have been enjoyed if legislative changes required had been made three years ago on a timely basis”.

Mr. Speaker, what I said earlier today that the failure to bring legislation on a timely basis is one of the fundamental failures of this Government whehter it it is the

Social Investment Fund (Repeal) Act legislation or the Cash For Gold Regulation legislation or the legislation for the international business sector. Sir, people would want to repudiate it but here it is. This is the language of the Auditor-General and I am saying to you that if this is our problem, let us fix it. Sir, the other joke at me now and say that I refer to implementation deficit disorder. I do because while some of the problem is as a result of the lethargy of this Government some of it is equally chronic and institutional but rather than fix the problem, we get back into a false divide as how the problem is there in the first place rather than finding how to fix it.

Mr. Speaker, the comments of the Auditor-General generally on Invest Barbados are instructive. I have every confidence that there are others on this side who will speak to the unfortunate engagement of people on a contract basis which the Auditor-General refers to, the sum of over \$342 000 paid out by Invest Barbados to consultants who refused in some instance to provide any evidence of any work done, any evidence of any report filed and other than to state that they wanted higher incentives payment to completely ignore the needs for prudence and accountability in relation to payment received from Invest Barbados. Sir, once again, this is the Auditor-General comments and I have every confidence that there are members on this side who will speak about the consultants and the special advisor to the Board. I trust and pray that this person will not find themselves now at a higher level in the very markets that we have to service and rely on in relation to international business.

Asides.

Hon. Miss M. A. MOTTLEY: No, I am not talking about the court for St. James even if others might suggest that.

Mr. Speaker, in relation to agriculture: Agriculture continues to be udner pressure and the Minister of Agriculture perhaps best expressed that last year in a way that none of us perhaps had the power to do when he, in a sincere and honest cry for help said that you cannot be expected to reposition a sector if you do not receive the resources for it. The Minister spoke about the Tractor Incentive Scheme in here last year and I am sure whether it is fully up yet. Sir,i want to say that perhaps if Minister had been the Minister of Agriculture from year one and had addressed it, we might still have the sugar adaptation strategy that the Honourable Member for St. Michael North West seems to have conveniently forgotten when he spoke about the need for the sugar industry to be able to be saved by them. The sugar industry is in the problem that it is today because this Government has refused to give the sugar industry the support in relation to planting and in relation to the other incentives to keep the industry viable.

Mr. Speaker, it is a fundamental decision. It is not an easy one but what is the reality of the sugar industry in Barbados. Sir, you have an industry where people are spending \$130 now to produce a ton of cane but they get \$56 for it. Sir, do you understand the economics. You are spending \$130 and you are getting \$56. Sir, there is nobody in business in Barbados who would continue to get less money than it cost them to produce a good and to do it year after year, year after year without being mad or without being the beneficiary of some kind of bequest from some rich person whom we know nothing about. Sir, what is the national issue? Sir, the national issue is, while it is easy to say let that cane farmer go out of production, and once he goes out of production you are not getting him back easily, or at all, the national issue is, can Barbados afford for our country to run to grass.

Sir, first thing, our soil is so thin that there are many crops that can grow here properly.

Secondly we depend on a tourism industry to earn for us, we would like us to earn in excess of \$2 billion again, but to have a viable tourism industry we must also have an ecologically pleasing Barbados, and if the bush is running all over, then we are going to have problems integrating our tourism sector with the kind of natural environment that Barbados has.

Thirdly, Barbados' most important product that it produces, and the Honourable Member for St. James South will, I believe, soon come to trumpet its virtue, is the rum industry. We have an \$80 million industry when I truly believe that we should have a \$500 million industry. What would it take for us to reposition the rum industry from an \$80 million industry to \$500 million industry recognising that Barbados has a natural competitive edge in rum if only because rum bullion 'kill devil' came from Barbados and it our gift to the world, the real rum, the real rum bullion. They are those who would want to suggest all kinds of special jokes, but perhaps the Honourable Member for St. James South is the best one in truth to lead the effort to rebuild the rum industry in this country.

Asides.

Hon. Miss M. A. MOTTLEY: Sir, he said he prefers white to brown but that is doubtful as well.

Sir, I am saying that the death kneel of the sugar industry will put us in trouble with our rum industry. Already our rum industry is importing four-fifths of the molasses it needs, and the glib way in which Honourable Members can say, you can import it, ignores the special quality of Barbados molasses and the distinct advantage Barbados rum gets from the use of Barbados molasses. It is not something that is by accident.

Sir, I must tell you I am really getting more and more worried because when I hear Honourable Members on the other side dismiss this, I truly believe we are going to see the end of the sugar and the rum industry under this Government in the next five years. I would want to hope and pray that the Minister of Agriculture can find the energy, the voice and everything else to cause people to realise that what is at stake is more than their five-year tenure as a Minister of the Crown in Barbados, but centuries of tradition in the production of products which have taken people and allowed this country to earn and have given this country a global dominance and a global level of excellence in respect of the rum industry. Sir, if this Government cannot appreciate that, then I truly understand why we have reached the level of lowest of the low in terms of governance of this country. Sir, this is not a joke anymore, and there are people whose lives depend on it.

Sir, the rum industry is now in trouble even in Barbados because of the beer war where beers are being imported at prices that you can get beers 4 for \$10, such that the rum industry is complaining that even their domestic sales are under pressure because of the reduction in people's disposable income.

I say, Sir, I am deeply concerned that rather than face the reality of what this country now confronts, we are into business as usual and we are into delay after delay in spite of the fact that the consequence will mean job losses and further hardship for Barbadian households and Barbadian enterprises. Sir, enough is enough.

Sir, we will do our job and we will cooperate where necessary but we will not cooperate in circumstances where the Minister of Finance wants to treat this side with contempt and then wants to use the word cooperation as if it is a glib public relation exercise in a constitutional debate. If you are serious, as I said at the beginning, do the right thing, and if you are not, be prepared to be accountable for your failure to reposition this economy to a growth path and for the suffering that is flowing as a result of it. I go further.

Sir, the social sectors...I have already indicated that the education and health have been the subject of cuts. In the case of manufacturing, manufacturing is down yet again and more important on the basis of the Government's report and that Minister of Finance's report, manufacturing is now producing almost half of what it did in Barbados five years ago.

The Honourable Member for St. James South has...

Asides.

Hon. Miss M. A. MOTTLEY: ...because the Honourable Member for St. James South once worked at the BIDC and he has chosen to come opposite me in an effort to get closer to the leadership of the Party since the seat of the Prime Minister is not there.

Mr. Speaker, I quote from the Governor of the Central Bank's report.

"The share of manufacturing in gross domestic product over the past two decades declined from about 9 per cent in the 1990s to about 5 per cent at the end of 2012."

Sir, believe me. You need to go back and look at the figures because there was a spike in Barbados' exports in the 21st century between 2003 and 2007. Our exports reached in excess of \$500 million, largely as a result of a revitalised manufacturing sector. Yes, we had the burning of the major chemical factory up by Searles owned by the Goddards Group, but that is now back on production but what is the story of the Harbour? NCO closed down, 1 200 jobs gone. All of us had constituents working at NCO, young ladies doing data entry. There is another one that just closed at the end of February. What is the story of NCO and others? They came to the former Minister and they told the former Minister, "Our costs are too high. If we cannot reduce our costs in Barbados, our fixed cost, electricity and other things, we are going have to go."

A former Prime Minister, Sir Harold St. John, taught us from early that sometimes takes it two or three Barbados dollars to earn a dollar in foreign exchange. That is why they maintain marketing support programmes in tourism that the Minister of Tourism and other ministers have done. It cost us money to bring tourists here. It cost us money to be able to keep jobs here. That is why you have a Fiscal Incentive Act that will no longer be available to us as a country beyond 2015 because of the World Trade Organisation, and fifteen years of development that has been promised and being able to offer tax incentives, not just for the people like Cost U Less and Karib Cable, when the rest locally cannot get the same thing, but on a transparent playing field and on a level playing field, those things have allowed us to be able to attract businesses here.

I say to you how could this Government allow NCO and others to pick up and leave and lose 1 200 in one instance and another 300 in other data processing firm?

Sir, I met people, and it is not a case like business all over the world is over. Do you think NCO globally shut down? They still open. While business may be slow under us, the question is, what will be done to make sure that you hold on to what you have while trying to get additional business. So I look forward to hearing that, but what do we hear instead. I will deal with Medical Transcription too.

Medical Transcription was one in which we had trained 200 people and we had agreed to ramp up our training to 1 000 Barbadians because if you go and get the Caribbean Export Study which was done in 2007, you will see however the cessation of Medical Transcription as viable option but then the former Minister of Health told the country they ought to have people doing medical transcription at the QEH, which I entirely agree with but having shut down the opportunity for the earning of foreign exchange from medical transcription, we then hear how wonderful it is for the local sector, when we could have continued to earn significant foreign exchange from the use of medical transcription in the foreign market because of the quality of our educational system.

I am also saying, Sir, that this Government has now come and announcing a series of public/private partnerships to the tune of \$350 million, in addition to its Capital Works Programme for 2013/2014. The Minister said he is going to have an \$80 million road programme by the end of summer. He is going to have all of these other projects, laying of pipes, this, that, that, 'bak', 'bak', 'bak', pronouncements as if they could jump off the page of paper. Mind you, they are not in this paper here because they are not in these Estimates and mind you, Sir, I want to go back the Central Bank Governor's Report because the big issue of 2008, if we would let our minds flow back, was the importance of bringing public/partnerships on Budget and not hiding them off the balance sheet.

The Former Prime Minister made a big sound and dance about it and, indeed, in the Estimates of 2008, we were told, as is reflected in the Central Bank's Report, December 2012, page 12, public debt outstanding; are PPP Prison, PPP Justice Improvement do not mind that is not a PPP any more because this House in the last term got the Royal Bank of Canada (Royal Bank) to buy out the building and is now paying Royal Bank just a simple debt but the Central Bank is so ignorant of the change, intent on driving home a political point, that justice improvement remains here as a PPP owing the priestly sum \$132.9 million.

The Attorney General came in here, along with the Minister of Finance and told us why it could not be a public/private partnership, how it could not work, how the Royal Bank was going to take up the money. Mr. Speaker, he wants to talk about arbitration now, let him talk about arbitration of the money owed to Royal Bank. Then you are going to tell me PPP Justice Improvement, PPP Coast Guard, PPP ABC Highway, all of them here but we are going to hear, Sir, \$350 million.

Sir, \$350 million is 4 per cent of GDP. Sir, \$350 million will increase the gross Government's debt to GDP Ratio. Sir, \$350 million will mean that there is less fiscal flexibility and room to be able to resolve the CLICO debt

and shareholders issue. Sir, \$350 million will mean that something in the language of the former Prime Minister to which the Minister of Finance served as an assistant, something will have to give because the one sure thing is that once he uses that space, he is going to face, inevitably, a further negative view of Barbados' economic and fiscal circumstances by the international community, in circumstances that might ultimately affect his ability to continue to finance the deficit. Now I can put it as plainly and as boldly as that for now and leave it as a marker but I want to remind them of one other thing that the former Prime Minister, the then Honourable Member for St. John said. You know the former Honourable Member for St. John was adamant that public/private partnerships had to be governed by rules and rules of transparency.

I believe that he was adamant because he understood what might happen on his side, as is happening now. He understood that you needed expressions of interests, not whispers of interests. Indeed, Sir, the Honourable Member for St. George North will admit that in the case of the ABC Highway, there were expressions of interests.

Asides.

Hon. Miss M. A. MOTTLEY: In the case of all other PPPs, including the prison, there were expressions of interests advertised for and I simply say to the Honourable Member for St. Michael North West that forgive and you will have to do a lot to persuade them. I am saying so with all sincerity that there can be anything serious about expressions of interest for PPPs, coming on the heels of an election, in circumstances where less than a few months ago, enterprises who may well be the subject of the beneficiaries of PPPs, would have been the persons who were responsible for financing elections.

Sir, you know that is why I have made my position clear as to the need for Campaign Finance Reform. Sir, there are those who may want to be concerned about cost overruns. Sir, cost overruns apply not just to highways but cost overruns apply also to construction contracts so that when values go from \$18 million to \$28 million, the people of Barbados want an explanation for the additional \$10 million in expenditure. The former Honourable Member for St. John required that at Valerie, as with other private sector contracts, he expected that those contracts would have been laid in this Honourable Chamber. That was the commitment the former Honourable Member for St. John gave them, as Leader of the Opposition.

I remember with clarity that the Honourable Member for St. Michael North West would not remember because he was not in here at the first commitment and then he committed to it again. In fact, one of the last discussions I had with the former Honourable Member for St. John was the need for us to review the framework through the Public

Accounts Committee for Public/Private partnerships both in terms of the need for transparency, the rules to underpin it. Indeed also the extent to which it would be treated as part of the debt or could be treated as off-Budget.

Mr. Speaker, that is one of the last conversations I had in this Honourable Chamber with the late Honourable Member for St. John.

Asides.

Hon. Miss M. A. MOTTLEY: No, he wasn't. He was Prime Minister and it was around April or May of 2010 when he came in here... It is one of the last occasions in which he was in here.

I go further, Sir. Do you think it is the Grotto alone that has increased? Do you think it is Valery alone that has increased from \$18 million to \$28 million, Sir? I would like the Honourable Minister of Finance to tell us what is the increased in expenditure now for the Grotto from the original amount of \$18 million. What is the reason for the increase?

I also want to know what is the situation with Exmouth and whether the company that was originally intended to do Exmouth sold its interest in frustration because of an inability to get the job done and in circumstances whether the new company BJ Investments is now in fact going to give and have a new quotation, Mr. Speaker, above the original \$18 million. Again, what would be the reason for the increased expenditure for the Grotto, for Exmouth and for Valery?

Asides.

Hon. Miss M. A. MOTTLEY: You could take about Dodds all you want because the Honourable Member for St. James South feels that is where he ought to go given the charges that he faces in the United States.

Asides.

Hon. Miss M. A. MOTTLEY: In, out, anywhere.

Mr. Speaker, this is the beginning of a new parliamentary term and I have cause to say that there is nothing that anybody on that side can say about me now present or in the future that would deter me from the representation of the people of Barbados. You need to understand that because I have been through the hornpipe in this country there is nothing that you can say, the Honourable Member for St. James South, the Honourable Attorney-General...

Asides.

Mr. SPEAKER: Okay, Honourable Members, please, order please, please.

Hon. Miss M. A. MOTTLEY: Sir, let them talk. Sir, I understand when they are under threat you know, the noise increases.

I am saying to you, Sir, that the people of Barbados are hurting. Sir, there must be a humility not only in defeat but in victory. The humility in victory demands of the Government equally to understand that the people of Barbados sent both parties a message a month ago, that is, that it does not expect business as usual, it does not expect its interest to be put at the bottom of the consolidation of wealth for a few in this country and it does not expect that their welfare and well-being is to be put on the altar of expediency for a few interests including the interest of political paramountcy and survival where a Government can ignore the needs of a tourism sector.

Sir, Barbados' name is dirt all over the world owing \$36 million but you can find \$7 million for a debushing programme that you know full and well is unsustainable if you have problems with stabilising this country's public finances.

I say today, Sir, that there must be a higher obligation on the part of this Government to put the interest of the people... We are only here for a time and if we do not treat to the time that we have been given appropriately, it is not as simple as us losing a seat and losing a Government. Barbados is at a stage now where it is at risk of losing everything that it has stood for since Independence in terms of what matters to us and in terms of when we are able to improve the quality of life of our people.

There is no divine right to prosperity on the part of a nation or on the part of an individual, Mr. Speaker. We have heard over and over the fate of Guyana. Guyana went to become a sovereign nation the same time as us in 1966, Guyana in February, us in November. Guyana was adjudged to have better development prospects than Singapore and by 2012-2013 Guyana went through the path of being a highly indebted poor country and Singapore came to be regarded as one of the smallest developed countries in the world.

In 1971, Jamaica was the number one developing country in the world and today Jamaica reels yet again under an International Monetary Fund programme that puts its people at the margin of survival in its country 40 years on. I say to you, Sir, that this nonsense about ask the Honourable Member for St. Peter, is the kind of misbehaviour and nonsense I am talking about with all due respect. People are fed up with this kind of tit for tat, tat for tit. People want to know when you are going to give them

jobs. People want to know when they are going to get things to be able to do in this country. Can they go somewhere and borrow a piece of change? Why is it that vendors are continually being harassed? Up to last month in this city of Bridgetown when thousands of people have been brought up in this country on the work of vendors, right here behind this street a woman from St. Joseph who raised 13 children and five belonging to her sister was told in December after 33 years on that spot that she had to move yet you have a man who walks Barbados free drinking champagne at public meetings, taking pictures with the Minister of Finance and still not being prosecuted in this country for selling insurance policies without a licence, talking daily and giving instructions and determining who should be where in which ministry. If you all on the Frontbench feel you got power, you wrong because he determines to his partner the Minister of Finance who is to do what and who is to get what.

I am saying to you, Mr. Speaker, that all of this is not called for. What has happened in this country is that you continue to frustrate people. You cannot expect people to take lashes, lash the right side of their face, lash the left side of their face, lash the top of their head, kick them in their stomach, and then tell them stand up and still take the blows and then watch as a few people living in a country that Adonijah properly calls two Barbadoses... A man or woman who may unfortunately do something that leads to the death of their child would face prosecution for murder and would face the denial of liberty in this country and others spend not a night in jail. No, Sir, enough is enough.

I have had over 20 years of public life that it matters not to me if I go home tomorrow but what I know is that in or out of here I am going to speak up. It does not matter what you say because whatever you say would not be powerful enough to silence us from defending the people of this country.

I am dismayed that people born after Independence can come in here and treat to the condition of this country of ours that we love... Do you know what it is for a country to have six years of not being able to pay its bills? Do you know of any shop in Bridgetown that cannot pay its bills for six years? How many, Sir? I am saying to you, Sir, that anybody in Barbados that cannot pay their bills for six years would be shut down but just because we are a country we got a little more elbow room and before a Government that wins an election accepts a little humility and come in here and say to us this is our programme, look all of us in this together, we are not perfect but let us try a little thing here, nothing so, pause for time.

I found a Press Release that I gave in July 2010 saying the exact same thing that I was forced to say this weekend again. At that time it was three years of a current account fiscal deficit, not being able to pay your bills, not

being able to have tourism, manufacturing, agriculture or international business earning. It is the same situation three years later.

Sir, I am not going to detain this Chamber any more, I really am not.

Mr. Speaker, we went to church yesterday and read from the Book of Nehemiah about Jerusalem and its walls being wrecked and the city being desolate. Sir, I came here and I will say so still, in spite of all that has happened and in spite of the failure of the Government to present a proper and structured proposal to this country to stabilise our condition, we are bleeding. We are bleeding badly and we have a Government that is deepening the wound, rather than stopping the bleeding.

Mr. Speaker, we are here today as a Party. It is not five or nine Members, it is 14 duly elected Members on this side. When we get into the Estimates liquidity there will only be 14 on that side and 14 on this side and that is the humility which I would want all of us to recognise and to understand the message from the people of Barbados, that we have been sent a message, put their interest first, play your games and politics on another terrain. You could play dominoes if you want, you can beat people six love if you want; you can play whist if you want but put the interest of the people of Barbados first in this going down.

Mr. Speaker, we have come here today in the spirit of Nehemiah, in the words of that great story to say that like the people committed to rebuild the city of Jerusalem, we too recommit to the building of Barbados because we have nowhere else to go. I have one passport and only one place to live like the majority of Barbadians and our navel string is buried here. In the words of Red Plastic Bag, whether it rises or falls this is our home, but we do not want it to fall. We want the Government to wake up. You have won the election, do some work for a change. Do something for the people of Barbados and stop idling and playing for time, instead, put a programme that stops the bleeding of the country, the economy and the people of Barbados. I am obliged.

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

Hon. R. L. SEALY: Mr. Speaker, I rise to make my contribution to the Appropriation Bill, 2013.

Asides.

Mr. SPEAKER: The Leader of Government Business.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that this Sitting be suspended for 30 minutes, to be resumed at 5.40 p.m. today.

Hon. A. D. BRATHWAITE: I beg to second that, Sir.

The question that this Sitting be now suspended until 5.40 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

RESUMPTION

Mr. SPEAKER: This Honourable House is resumed. When the Suspension was taken, we were on Order No. 1 and with that we shall continue. The Honourable Member St. Michael South Central.

Hon. R. L. SEALY: Mr. Speaker, thank you. I rise to participate in this debate the Appropriation Bill 2013. I am supporting the Resolution that is before the House and I thought it might be useful to just state that this is a very important debate. Sir, one could even argue that it is the most important thing that we do in this House because the only thing the Government is required to do under the Constitution is to bring an Appropriation Bill, the Estimates document and lay them in the House and, of course, they should be debated and passed. Sir, if we do nothing else for the rest of the year but we only this, we have met our constitutional obligations as a Government as far as Parliament is concerned.

Mr. Speaker, I understand clearly what that means. Sir, again, the documents are laid in Parliament, they are not laid in the market, they are laid in a business house, they are not laid at the top of Broad Street, they are laid in our House of Assembly. Sir, in other words, it is an opportunity not only for the Government but as I understand it, for the Opposition to meaningfully contribute to this, the most important parliamentary exercise that we undertake as a Government. Sir, that was certainly my understanding when I sat in Opposition and it is something that I have brought to Government.

Mr. Speaker, in that regards, we have a rather interesting scenario where numerically, the Opposition is stronger than it has been in a very long time. I believe that you have to go back to a 1966 Parliament to see a scenario where the numbers in Government and an Opposition have been so close. I think that it throws up a tremendous opportunity for some maturity on the part of the Leader of the Opposition, and the Opposition generally, in terms of how this exercise can be more meaningful and, Sir, to that extent, even the business of call Heads.

Mr. Speaker, if I were the Leader of the Opposition in a Parliament like this, I would lobby to maybe call Heads alternatively because we have never had a situation like this instead of trying to get Committees altered at a State opening that are governed by the Law of Barbados and that kind of kite flying to impress the gallery, there are opportunities, I think, for us to work together. Sir, in that respect, I have to say that I am a little disappointed with what just took place in this House of Assembly. The truth is, the Honourable Member for St. Michael North East started pretty good. It reminded me of those speeches that we were used to getting from her after she was replaced and those speeches about let us work together, let us all be one, how we are going to tackle implementation, the deficit disorder, learning to love each and addressing all these challenges. Of course, all of that was thrown through the window. She got into her dress and it was just the same old politics.

Mr. Speaker, what is the reality of Barbados in 2013? The reality is that all over the world, not only in the Caribbean, there is a fiscal crisis that most Governments are facing, that is to say that Governments just do not have the money that they use to have to spend in the manner that they use to spend. The truth is that Barbados is no different and in fact, our scenario is really quite simple, so when the Honourable Member for St. Michael North East has had her three hours and has been able to throw her jabs here and there, the simple reality is that we have Estimates before us calling for \$3.8 billion in expenditure and of that \$3.8 billion, we have to pay public servants just under \$9 million. We have to service our debt, in the case of the interest \$600 million and in the case of the amortization, it is \$700 million. We have to supply the transfers to the State own corporations and that is another \$900 million. I have not talked about pensions or any thing just yet but that is another couple of hundred of millions dollars and then, of course, the goods and services for Government to function is close to \$400 million.

Mr. Speaker, things are very tight and the truth is that if you want to have a truly useful debate what the Opposition can say is precisely what they think we should do in the circumstances. The Government has stated its position and we have been very clear of a Medium Term Fiscal Strategy and of consolidating our fiscal position but at the same time making surgical interventions where we can in order to simulate some activity.

Mr. Speaker, we reject this notion of a stimulus package that was posited by the Opposition. You cannot have a stimulus package in a country that is import dependent. Sir, that is madness. The United States of America can have a stimulus package because most of the money they are borrowing is spent locally. If we have a stimulus package and we have to borrow the money from overseas and still import most of what we are using in the

stimulus package, it would cause a problem in terms of foreign exchange. Sir, it is not on for us. We have taken the approach to consolidate fiscally and let us work ourselves out of this crisis over a period of time with a human face on it. Sir, that has been the position of the Democratic Labour Party. It has worked well and the people of Barbados endorsed that approach.

Mr. Speaker, I am very proud to be part of this Government. Yes, I would prefer to have a few more numbers here, a little more comfort but I am proud to say that no one on this side has engaged in any reckless promises during the recent election campaign. We leveled with the people of Barbados and they understood that we simply could not throw the kitchen at you. Sir, we did not do that. We did not come in here in the dark of night with \$20 million Supplementaries to the Urban Development Commission and to the Rural Development Commission in 2007 to go and win any election. We did not do any of that. We leveled with the people of Barbados and we said that we had to cut the cloth to suit where we are today and, Sir, that is the reality.

The Honourable Member for St. Michael North East takes a great deal of pride in saying for the past five years that we have not been able to meet our current expenditure but the member is not going to tell you the principal reason why we cannot do that is because of the debt that we have to pay between the interest and the amortization, we have to pay over a billion dollars a year, which is almost half of all the revenue that this Government is taking in is to pay debt, debt that was recklessly engaged upon between the years of 1994 and 2008. This Government has to deal with that and now we are going to hear because we are managing that crisis situation that we inherited, all of a sudden now, we are going to be criticised for that. We are now hearing that the Government cannot pay its bills but if the last Government has been a little more responsible in terms of how it engages in debt, we would not have that headache right now and there would be more money for tourism, there would be more money for roads, there would be more money for school but the reality is that we have to pay that debt.

Mr. Speaker, let me make it very clear that I have to be a little bit more creative at tourism and if the Honourable Member for St. Philip North has to get one or two roads less in order for us to meet our debt obligations, so be it. We do not want to default on our debt obligations because that is the beginning of the end. Sir, look around and you will see. This morning when you were in your bed sleeping, I assume that is what you do at two o'clock and three o'clock in the morning, in Cyprus, they were rioting over the fact that a near 10 per cent tax that has been imposed upon savings account. Sir, these are hard earned savings and the Cypriots are now hearing that in

order to stem a fiscal crisis in their country that is what has to occur.

This is the kind of thing happening all over the world. Mr. Speaker, I do not want to see us having to deal with the hyper inflation, the major four or five that you have. I find that type of suggestion from the Honourable Member for St. Peter, not only a former Prime Minister and Minister of Finance, but someone who is trained in the field of economic. I find it a little disappointing. It is highly reckless. We have to protect our foreign reserves. This is a small country that imports just about everything. The toothpaste each of us uses this morning to brush our teeth had to be imported. That is the reality. The vehicles we drive, the petrol we put in them, all are imported. So we cannot go along with the suggestions that by the Barbados Labour Party that somehow we can lick out the reserves.

I say it really comes down to this document and if the Members are as bipartisan, as they say they are, given that we have to look for \$1.2 billion dollars, compliments of the Barbados Labour Party, and we only have about \$2.6 billion in revenue, what are we really going to do? I think this Government needs to be commended for the way in which it has managed the affairs of this country, and that is what the people of Barbados have said.

I know the Honourable Member for St. Michael North East did not give any details, but I know a few weeks ago when she was wearing more comfortable clothes and a red hat, and walking around the stage with a microphone, she was making some very interesting promises about revenue. Now this is the Member who is talking about all the crocodile tears about the programmes we are cutting. If the Barbados Labour Party was elected, what would have happened to revenue?

Do you remember all the promises, the allowances on entertainment and travel would have been resumed; increased land tax exemption threshold to \$200 000; allowing landowners liable to Land Tax Department to pay 50 per cent on the improved value. This benefit is now only available to pensioners. They would introduce a middle income tax band that applies a 25 per cent marginal rate to taxable income up to \$50 00; increase reverse tax credit to \$1 500; increase personal income tax allowances to pensioners to \$50 000. Of course the Cess on gasoline was to be eventually removed and the excise would be as soon as practicable. Even though they made those promises they got a little tired of them and realised they were just getting a little too carried away. The wheels were spinning off the promises.

In an environment where you are proposing to reduce revenue right down to the bare minimum but you are suggesting that we need to spend. What is that the Barbados Labour Party, Her Majesty's Loyal Opposition, is

really proposing. You know the expenditure thing gets very hazy because we are being told of all of these areas we need to spend on, and yet we are not getting any clarity at all in terms where exactly we are going to get all of these funds from to defend what is proposed to be spent. I think the conflicting messages we are getting from the Barbados Labour Party need to be appropriately dealt with.

The Honourable Member for St. Michael North East spoke about the creative industries, the cultural industries. The truth is it did start, or the other Government talked about it, but we have connected it though. That is the big difference. They talked about it but we implemented it. It has been passed through Cabinet and it will come to the House of Assembly in due time. That was promised since 2003 and nothing at all was done with it. We have taken control of it and it will be coming here.

I heard the Honourable Member talking about the Trini invasion to Barbados, but the Honourable Member does not talk about the...or rather the Barbadian invasion in Trinidad, music? A lot of those tales that we heard had a lot to do with the Trinidadian invasion of Barbados.

We are now hearing about the decisions of the Board Rooms are being made in Canada and Port of Spain. Nobody did not tell BNB. In fact, there was a view, it was doing well at the time, that it should have remained indigenously owned.

Asides.

Hon. R. L. SEALY: Yes, it was an award winning bank. Now all of a sudden we are going to hear from the same people who sold Barbados National Bank, that brought the Trinidadians in here in the first place, with respect to the banking sector, now we are going to hear, Oh, that we have to be careful about our Government Paper, or whether the banks are going to take it up.

Let me just say something. We have had foreign owned banks here for at least a hundred years, and it would have to be a dark day in Barbados' history when the Government of the Central Bank or the Minister of Finance cannot through moral suasion get the banking sector to take up its Paper. I do not really understand what is the subliminal message that the Leader of the Opposition is trying to send there. Frankly, I do not think it is something you should say in here. The suggestion of it alone is enough to potentially cause problems on issues of confidence. It was not, in my view, a responsible thing to say at all, and it does not make any sense either.

How would you expect a bank than that highly invested, highly leveraged in this market to simply take up the Government Paper and would in essence have macro economic implications, and could also see their very

survival questioned. It was the low point of the speech in my opinion, and I think the Honourable Member for St. Michael North East knows better and in fact is close to some of these banking institutions and some of these bankers, and it really was, in my view, a comment we could have done without.

Sir, I would not bother to get into the question of Neal and Massey taking over BS& T as if the Government of the day had a role in that. I am hearing that the Clico crisis is our fault. If the Clico crisis is our fault, and it is not, because no Member for St. Michael North West or no former Member for St. John was the Minister of Finance at the time that gave them the all clear. All of a sudden the crocodile tears now for the policyholders of Clico. At the time when the Supervisor of Insurance was warning about Clico, the Barbados Labour Party Government and the Honourable Member for St. Peter did nothing. His fingerprints are all over that Clico crisis as well, and the people of Barbados need to understand it. They do not like to hear it because there is supposed to be this link between the Democratic Labour Party and Clico, but the truth is, the Right Honourable Member for St. Peter is just as much to blame for that crisis.

Asides.

Hon. R. L. SEALY: He is to be blamed for that crisis. It started with him. It was a standard bearer. He said it is a company other companies should try to emulate, and all of a sudden now, Clico is vermin, the worse thing out and it is a Democratic Labour Party creation, foolishness, Mr. Speaker. I need to put where it belongs.

Even this issue of Almond and Neal and Massey and the fact that the Trinidadians are not necessarily as conscious of the Barbados interest and our tourism interest. That too could have been avoided if a little bit of creativity was employed and not allowing Neal and Massey to take over BS&T. There were some options that could have been put on the table and Government could have intervened. They were people like the Honourable Member for St. Lucy, in this House, Barbadians outside of this House calling the call-in programme warning that if Neal and Massey took over BS&T it would have implications down the road.

Again, the Government of the day failed to observe those warnings and this Government now has to deal with the consequences. Mr. Speaker, it was put in the Throne Speech for a reason. This Government is going to get involved in that Almond situation. We are going to resolve it. We are working with some private sector partners and we are actually fairly confident that it may even be resolved ahead of the Four Seasons situation, as well.

The Honourable Member for St. Michael North East may not want to hear about Four Seasons. I did not hear any mention of Four Seasons in her speech but you know, all of this that Barbados is dirt, there is no investor confidence in Barbados. Well, tell the House about Four Seasons. Get up when we are in Committee and when we go to the Heads and talk about that. There is no investor confidence in Barbados. A man just payed more than US\$20 million for Lone Star and said that Barbados is doing extremely well in this recessionary time. He wrote a cheque for it and said he has confidence in Barbados.

Asides.

Hon. R. L. SEALY: But we are hearing that Barbados' name is dirt. It is not true, Mr. Speaker, along the same time that she subtly made suggestions that foreign owned banks should not take up Government paper, subtly implying it and I thought it was uncalled for.

Mr. SPEAKER: Yes, Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of order. The Honourable Member is misleading the Chamber in suggesting that I said that foreign owned banks should not take up Government paper. In fact, all I did, Mr. Speaker, was to quote from the Financial Stability Report as well as the Central Bank Board Paper, indicating that banks were not taking up Government paper from as far back as 2011, and the Financial Stability Report which says that banks only took up 12 per cent of Government paper and the NIS was forced to take three-quarters of the new receipt of Government paper.

Mr. SPEAKER: He said that you suggested it. He had no right to say so.

The Honourable Member, please continue.

Hon. R. L. SEALY: Thank you, Mr. Speaker, but you did

say that Barbados' name was dirt though and that is not good.

The Honourable Member for St. Thomas that is not a big deal to her but I think that the Leader of Her Majesty's Loyal Opposition in a debate like this having left Church and being told to take a bi partisan approach like this, one would have thought that was not necessary, that was the best starting point. I mean, you now get to the crease. This is the Opening Over and the way that you want to reach out to the Government and through the Government to the people of Barbados is by saying that Barbados' name is dirt. That is unfortunate because as I say, when it all boils

down, okay, the red shirts and the yellow shirts have been put in moth balls.

Asides.

Hon. R. L. SEALY: They are wearing them, they are still out? Things dread and we voting red but the truth is things are dread all over the world and we have to find solutions to fix them. That is what the theme must be and that is what I think we expect from an Opposition that has been given this golden opportunity by virtue of the numbers that they do enjoy.

The attack on the Valerie Housing area, again that has only been soar because this Democratic Labour Party in the face of the worse recession did more for housing in four years than the Barbados Labour Party did in 14 years.

Asides.

Hon. R. L. SEALY: There is nothing wrong with that and just for the record, there are 12 families that are moving into Valerie. They have been given keys already and the rest of those rooms will be filled. There is water, there is natural gas, there is electricity, there are even some STV boxes and so on going in as well. People are enjoying having a place to call their own and that housing thing was a big problem for the last Government and so, I am not surprised that she found it possible to attack what we have been able to do with respect to housing.

Now, Mr. Speaker, I did say earlier about the decisions that you take and the implications they can have down the road. It is interesting listening to the Honourable Member for St. Michael North East speak to what is happening in tourism and what is not happening in tourism, and the challenges that we have had to confront. The truth is once again, had the last administration had a little more foresight in terms of building our room stock out, in terms of identifying what was happening, in terms of the shift from hotel rooms to villas and if we had done more planning during those years, we would be in a better position to see some more growth in tourism.

The fact is, Mr. Speaker, that we inherited a lot of hotel plants that were tired and attractions that needed to be spruced up. We attracted a situation where our product needed more attention and in those circumstances, Mr. Speaker, not only did we have to ensure that we continue to market effectively, in the face of the tremendous global challenges but that we restructure our arrangements so that we could have continued to benefit from tourism.

And so that the next time a recession comes along, we would make sure that we are far more robust and capable of withstanding it then. We should not have to be doing that during this period, Mr. Speaker, everyone

understands, you gather grain not during the Winter, you gather grain during the Spring and Summer and store it for when Winter comes along. The problem is that there was no sort of thinking at all that down the road there would be a potential recession.

This Democratic Labour Party Government has embraced planning in every corner; that is why there is a Human Resources Development Strategy; that is why we are working on a plan for the sugar industry; that is why there is a White Paper on ageing that is why there is a Medium-Term Fiscal Strategy buttressed by a Medium-Term Development Strategy; that is why there is a National Youth Policy; that is why we have an Employment Strategy because we see you need to plan. This is why we for the first time in a few months will have a Tourism Master Plan as well, in this country because you have to prepare for the rainy day and not just say it, you have to do it. Mr. Speaker, that is why we are into new markets as well because one of the problems that causes many of these declines - and this is a fundamental - is our over reliance of the United Kingdom. None of the other islands in the Caribbean depend as heavily on the UK as we do. I mean Grenada to a lesser extent and Antigua gets a few but we rely heavily on that UK market. And so, that over emphasis on the UK market has actually hurt us in this time and that is why we are going into Continental Europe and getting some good arrivals. You never criticised the Dallas fight for stopping.

Asides.

Hon. R. L. SEALY: She did not give me any credit when I started it. I am who started it. I said that we needed to get into the mid West in the US and it is not my fault that American Airlines went under Chapter 11 but we are hoping now with the merger of US Airways that we can re engage them and look at some of those other gateways. Sir, it was this Democratic Labour Party Government that brought that new flight here, the additional flight from New York, JetBlue. I could talk about that, more capacity. We brought the extra flight from Toronto, we opened the Brazil market because I am not thinking about myself, I am thinking about two or three Tourism Ministers down the road. That is what this Democratic Labour Party is about. We are thinking on this side. You have to think about the future and what we do here is we hold it in trust. That has been my thinking. It is why we have the Master Plan; it is why we are doing the National Tourism Host Programme; it is why we are trying to restructure the institutions because it is about the future and making sure that we put the sector on a firm footing and not the wobbly footing that I inherited in 2008.

We would hear about the declines in numbers. Sir, I found it very interesting that the Honourable Member for St. Michael North East decided to take a leaf out of the

book of the Honourable Member for St. Michael North who of course have been removed as the Shadow Minister of Tourism. For all of his wonderful work, he has been replaced by another Honourable Member not nearly as senior as he is so that alone says a lot.

Sir, you cannot only look at arrivals. Jamaica has seen an increase in its arrivals. Jamaica is in the hands of the International Monetary Fund. If you are getting arrivals, but who are you getting, what are they spending?

The real challenge that we have again with this United Kingdom market is a decline in the spending capacity of our visitors but we do not throw up our hands, we work hard to try to get more people to come to Barbados. As the former Honourable Member for St. Michael East said when he was in here, “wha you expect the Minister of Tourism to do, go and rob the tourists, whud if dey ain’t spending, dey ain’t spending.” You know, he had a very inelegant way of presenting.

Asides.

Hon. R. L. SEALY: No, I meant he had his own unique style.

The fundamental point is that if they are not spending, they are not spending, what are you doing to do.

Mr. SPEAKER: Honourable Member, you should be winding up now.

Hon. R. L. SEALY: The fundamental point is that we are still working in the face of these horrible circumstances. We have no control over the economic conditions in our source markets but we continue to throw up our hands. We will continue to work on all of the different areas. The tourism vote has been increased. I am not sure why the impression was given that it has been decreased. I would also say that the stronger linkages with the Ministry of Culture in pushing Historic Bridgetown and Its Garrison... That money that they are getting is not in the tourism budget but it has implications, and serious ones, for tourism from a product point of view and what we could do to make ourselves more attractive as a destination so we have invested.

The Barbados Tourism Inc. also has a very aggressive programme to come on stream so there are other agencies that have seen an increase in investments. Of course, we are trying to create even different experiences at the port of entry. The cruise terminal facility will be constructed this time around and we are looking forward to having improved facilities at both of our ports of entry as well.

Mr. SPEAKER: Honourable Member, please wind up.

Hon. R. L. SEALY: That may not necessarily be directly in the budget but all of that have implications for tourism.

Mr. SPEAKER: I thank you.

Hon. R. L. SEALY: Mr. Speaker, this Government continues to work very hard for the people of Barbados and therefore it is with pleasure that I support the Appropriation Bill 2013.

I thank you.

Mr. SPEAKER: The Honourable Member for St. George North.

Mr. G. A. CLARKE: Mr. Speaker, I rise to lend my voice to this important debate. Once again I owe this sense of gratitude to my good people of St. George North even though I must say that the Democratic Labour Party came out in full force with all the money that they could muster to oust me. I must say, Mr. Speaker, that I owe it to the good sense of the good people of St. George North who have set the stage. I must say that the people of St. George North and St. George South have shown that a 13 per cent increase in vote for the Barbados Labour Party was in the right direction and indeed they have set the stage. It shows that what we have heard about the good people of St. George North and St. George South over the past 50 years have always been true, that they are independent people who can think and think clearly about the destiny of our people and despite all the reserves we are still standing.

Mr. SPEAKER: I just wish that you would get to the point so that we...

Asides.

Mr. G. A. CLARKE: Mr. Speaker, when we look at the 2013 Estimates, we see that all the economic sectors are down. Manufacturing, tourism, agriculture and construction are all down. One would have thought that the Government would come in here and say to the people of Barbados how we are going to restore these economic sectors. The last Speaker’s sector is down by 9 per cent. I think that once the tourism sector is down by 9 per cent, it speaks to a failure not only of the Government but of the Minister and his team and therefore if I as a Minister and my sector or the economy was down by any sense of the imagination by 9 per cent, which is quite high, I would definitely look at a new direction.

Mr. Speaker, I think there is a need for a new direction in this economy. The Minister of Finance has said

that he is going to introduce a stimulus package this year. Mr. Speaker, this \$650 million of capital work is really a stimulus package. The Government said in 2008 that they were not prepared to introduce a stimulus package at that time. We called then for a construction package and the Government said we were not prepared for it. Today, we see the Government comes in with a stimulus package driven by private and public partnerships. Mr. Speaker, I want to speak about this because the Government at the time said they are not prepared for a stimulus package and that a private sector partnership was not on because it was illegal.

The former Prime Minister on the Floor of Parliament said that the cash-based accounting was the one that they were going towards and that PPC was not part of the programme at the time. We, therefore, agree that the programme to stimulate the productive sector is the only way to go. We told the Government then that there were a number of people in Barbados who were unemployed and they were driven merely by construction. We have said that construction is the one sector that helps to spur on not only the economy in terms of the construction sector but throughout the economy, manufacturing, tourism and so on and so forth, yet we find that this is driven today by the private sector.

Mr. Speaker, we want to find out if something has changed? Have the laws changed? Have we brought in a new Bill to push forward the PPC? Have we brought in a new Bill to inspire confidence in what we are doing and who would benefit? This is the question we want to ask: Who would benefit from this? The Government is clearly looking at a number of off-budget financing and they have said so clearly. We need to discuss in this debate at this time who would benefit. If it is true that the wider sector of Barbados will benefit from these arrangements, would Parliament know? Would persons in the society have an opportunity to tender for the work that Government is putting out in housing? Would persons in the society be able to respond to public works to the various sectors, in health, in the new hospital? Who would benefit? Would it be a situation where only the Minister or Cabinet would know what is going on, we want to know?

If the Government is bringing a new dispensation to Parliament, then we have to look at a new way of dealing with these private sector partnership programmes that the Government now embraces because they say they were not embracing them.

We have said there are cuts in every area of these Estimates, every sector has been cut. The only area that we can find interesting is the capital works programme that was called for five years ago. I would want to find out if persons would be able to tender for some of these programmes and who would. Who would be left out?

Already we heard about a number of serious contractors who would be left out. We hear the utterances from Government that some contractors would be left out, based on whom they belong and to whom they are perceived to belong. I want to hear from Government who would be left out and who would be included. I would want to know too if everybody would be able to tender for these public/private partnership programmes. Sir, we want everything to be exposed here in Parliament because if you want to go a new direction, let us expose everything here.

Mr. Speaker, in the Ministry of Transport and Works \$80 million will be done for road improvement. I agree to that because we started the programme to provide road works not only in the constituencies of the Barbados Labour Party but also in constituencies that had elected Democratic Labour Party members, like St. Philip. We want to hear what is happening to other parts of Barbados. We heard the Minister of Finance speaking about the Scotland District, the Honourable Member never mentioned St. George where roads were started in the last financial year coming from St. Philip into St. Lukes, St. George. We have not heard anything about that, so we want to hear what is happening in this financial year to these public/private partnership programmes.

Asides.

Mr. G. A. CLARKE: Mr. Speaker, we have a right to know. It is also important that the public knows as well, they need to know if it is really payback time that the Government has started out keeping a lot of noise today.

Mr. Speaker, I need to know what is happening in the various sectors of this economy. They spoke about Neil and Massey, that it was in 2008 that the Barbados Labour Party encouraged Neil and Massey here. That is not true, Neil and Massey took over when the Democratic Labour Party was the Government and they did nothing.

Asides.

Mr. G. A. CLARKE: Mr. Speaker, this is a sad day when a Government, with a reduced majority, could come here and instead of trying to link and to build bridges, it continues to put a programme in place that will isolate the Opposition.

Asides.

Mr. G. A. CLARKE: The Government continues to put a programme in place to show dominance. I believe that during this exercise we will have to respond in a number of ways. Sir, for example, the Honourable Member for St. Michael North West, the Minister of Finance said that nothing has been done in agriculture, that in terms of restructuring the sugar industry we have not done anything

since 1994. That is not true, from the very first time we heard about the Plantation Reserve brand of Barbados sugar. We have done that. We talked about new improvement in Sea Island Cotton as well.

Asides.

Mr. G. A. CLARKE: Something was done and it was done in the right direction. Mr. Speaker, I am saying that to say nothing was done is indeed misleading this Honourable House. Sir, a lot of work was done in looking at improving agriculture and also improving technology in the agricultural sector. We were able to develop the sugar brand. I am saying that when the Minister of Finance speaks about these things, the Honourable Member must be clear in his mind. The Honourable Member has not been able to point out with any clarity what is happening in the agricultural sector.

Mr. Speaker, poultry is another sector that has increased by leaps and bounds. The production of pork has also increased, so that a lot of work was done when we left office in 2008. Food security is another area in which we tackled a lot of work. When the Government took over in 2008, they found a platform on which they were able to move forward. I am saying that enough work is not being done to improve productivity in the agricultural sector. Sir, very little funding is being done. As the Leader of the Opposition has said, there are cuts in agriculture, so that the funding for this sector is so dramatic that it will not be able to show any substantive increases over the next year or two.

Mr. Speaker, when we talk about agriculture for the youth, agricultural as a means of moving this economy forward, one has to be serious, one has to put plans in place to push forward this subsector. I am saying that the present Government has shown very little disregard for this project.

Asides.

Mr. G. A. CLARKE: They have shown no regard at all for agriculture, that is why you would find cuts in this sector. Sir, despite the Minister having spoken about the Land for the Landless programme and about a cultivation scheme, we have not seen anything in the last year to push this sector forward. We have not seen anything with the naked eye. I am sure that over the next two or three years we will be carefully watching to see how Government positions this sector in order to move it forward within this country.

Mr. Speaker, another thing that is important is that over the past two years a number of signals have gone out to the farming community that seem to be misleading, signals that need to be clear. We need to send a signal to the farming community that Barbados is serious about

agriculture. We understand that you cannot compete with Guyana because of land security, but I am saying to you that when you look at the water reserves of this country... Sir, Barbados is a water-scarce country, yet Government is not finding it possible to help the farming community with low cost water.

Asides.

Mr. G. A. CLARKE: It is important, we need to look at water as a means of helping the community. In areas like St. Philip where there is water, I believe more has to be done in the River area, more has to be done in certain areas of St. Philip and Bath especially, in order to improve production of fruits and vegetables and in order to improve a number of areas within St. Philip, even in the Scotland District but Government has not shown anything at all in the Scotland District. What is Government doing in the Scotland District?

The Government is spending this year in the Scotland area than it has ever spent before. Mr. Speaker, when you look across Barbados, it is a waste land under the Democratic Labour Party and very little has happened in the Scotland area. Sir, very little is happening in St. Joseph, very little is happening in St. Andrew and very little is happening in St. Thomas in order to shore up agriculture. Sir, as you pass through this area, you see a waste of land. We are saying in the Barbados Labour Party that more has to be done in the field of agriculture in order to get farming back to position.

Mr. Speaker, before elections and during elections, this Government took on more than 1 000 workers in the NCC. They took on workers in the Public Works and they took on workers all over Barbados and, Sir, you could see them. Mr. Speaker, some of these workers could have been used in the Minister of Agriculture to help spur production.

Mr. Speaker, it is unfortunate and I am saying that more has to be done agriculture because thousands of workers were taken on but yet agriculture remains dormant.

Mr. Speaker, another area that needs to be looked at is housing. The Government talks about how much it has done in housing but who has really benefitted in housings. Who are the contractors? You ask yourself these question and then you come to the conclusion that very few people actually benefitted from the largesse of Government. Sir, very few contractor actually benefitted and the amount of resources that were given to some contractors were less than 10 per cent of the entire package. Sir, look at it and you will see who got what.

Mr. Speaker, I am of the view that the Government has to be fair and I am hoping that in this new five-year term, two-year term or whatever term they have that we

will be shown some degree of fairness not only in here but also for the public of Barbados because we need to look closely at what is happening in sector and this package that the Government is putting out will be watched very carefully by the Opposition. Sir, we have to watch it very carefully and we also have to look carefully ...

Asides.

Mr. G. A. CLARKE: You said you are not into stimulus mode but now the Government has introduced a Barbados Labour Party programme.

Mr. SPEAKER: Honourable Member, please address the Chair and let us keep order.

Mr. G. A. CLARKE: The area of rural development is an area in which the Government has not helped at all and it is as if the last five years was a waste for the people in rural Barbados. In rural Barbados we have seen the vote for Rural Development Commission move from \$10 million to \$7 million and we are wondering what is happening. Sir, the Government is not serious about rural people at all. We have seen a number of derelict houses continue to exist in the rural area. I hope that after these Estimates the Government will find it necessary to tour through St. Thomas, St. George, St. John and St. Andrew. I hope that the Government would at those houses that were damaged by Tomas that remain untouched by the Government because we still have a number of those that have not been touched by the Government. I hope that the Honourable Attorney-General will pay attention to this because we still have a number of people who are still living at other persons and that is very unfortunate. We have people across Barbados who need help and the Government cannot come and tell me that it has so much resources, that it is going to provide for other sectors but persons who cannot meet their basic daily necessities cannot get help from the Government because we need some help for these people.

Mr. Speaker, in terms of road building and in terms of providing rural with funds for business. There was a time when persons in the rural area were able to get some help from the Rural Development Commission to develop pig farming and their own cottage industry. There was a time when people were able to get help in establishing business. What is the position with the Rural Development Commission today? It has not functioned in the last five years according to the programme which it was set up to do.

Mr. Speaker, I am calling on the Government to re-establish the fund to help rural enterprises and also to ensure that there is some degree of fairness. I am calling on the new Minister of the Rural Development Commission not to sent all the contracts to St. Lucy and not to St. Philip

or none to St. George or St. Andrew. We would also want to demand that there are number of houses in the poorest sector of St. George, in Lower Estates and in Cottage that have not been touched. Sir, for the last two years I have been going through parts of my constituency and you see houses in a very bad state and we cannot, in all fairness, continue to have a Government that is providing for themselves and say that it will provide for everyone but yet give those people only lip service.

Asides.

Mr. G. A. CLARKE: Yes, the Minister says that he will give help but then your word is not your bond. I think that in fairness to a new dispensation that we need to see some form of equity especially when it deals with the poor.

Mr. Speaker, we have also seen a cut in the subvention to the Transport Board. The last subventions was \$65 million but it has now been to \$20 million in terms of the allocation of the vote to the Transport Board and we ask ourselves what is really happening and what will happen during this year. Will the Government be in a position to come back for a Supplementary as they did in the last five years or so. I do not think they will be able to do.

Mr. Speaker, we have a number of serious questions to ask the Government in these Estimates expenditure. We have a series of things to ask the Government. The Honourable Member spoke about welfare and, again, welfare is a problem. There are a number of people still on welfare that need to move from welfare to work. I hear the Minister spoke about this before but what is really happening? Is the Minister satisfied that he has a programme here to help those persons on welfare and who benefit. We have to look at this. I am not criticising people on welfare but I am saying that there needs to be a programme to help those people.

Mr. Speaker, in these Estimates, there is nothing to encourage employment for young people like those young people coming out of university or those persons coming out of college. There is nothing here to encourage employment.

Mr. SPEAKER: Honourable Member, you have three minutes in which to wind up.

Mr. G. A. CLARKE: Thank you, Sir. Mr. Speaker, young people are no better off today under the Democratic Labour Party. There is no hope for employment of any kind and persons will have to wait until persons retire from the Civil Service in order to find jobs. There is no hope for new innovation in terms of small business.

Sir, I ask myself the question, how do I benefit as a young entrepreneur? This is what Government has to point out. If you are not creating employment within the private service, how are you going to create it in the private sector? How are going to encourage projects in the private sector? How are you going to encourage persons to assess those funds? What red tape are you going to cut out?

Sir, currently, I do not understand why all roads have to lead to a minister, or somebody you know. I think we have to cut out this because we are going forward. We have to cut out this because there are a lot people who want to get employment in the cultural industries, persons who want to get employment as contractors; person want employment in the agricultural belt and in all fields of endeavour. Therefore, we need to look at a new dispensation, how we are going forward and how we are going to direct young people in the right way.

Mr. Speaker, I am obliged to you.

Hon. D. St.E. KELLMAN: Mr. Speaker, I rise to speak on the Appropriations Bill. I must say from the outset I want to thank the people of St. Lucy for returning me to this House.

Sir, after listening to the Honourable Member for St. George North, with a reduced majority, because the Honourable Member for St. George and his friends were able to go to St. Lucy and tell the people that for 19 years I did nothing for St. Lucy. I am now hearing here today that I should not do anything for the good people of St. Lucy and should ignore the complaints that were made against me in St. Lucy and continue, according to them, not to do anything for St. Lucy but to allow the Honourable Member for St. George North to do the good work. That is, even though he is not a minister, to dictate the pace in the Ministry of Transport and Works, Ministry of Housing and in Rural, and to ensure they continue to plant their people in the various ministries and that they carry out the work for the Barbados Labour Party. To come in here with crocodile tears now that we have been able to identify those persons who were bold enough not to go on political platforms because they thought that they would have been a change of Government. Now they are now appealing for light.

Sir, I want to say what we are seeing today is a rehash of the Barbados Labour Party. We have heard there is no work going on in Garden Land, when everybody knows that the working going on in Garden Land is advanced and the China State is doing the work in Garden Land. Sir, it is not only Garden Land. There are Padmore Village, St. Philip, Beckles Road, Campaign Castle, Halls Road, Constant and many other areas. The most important thing is, we are going to have a parallel programme even though we will be building housing units and houses, we

will also be providing house lots for people so we will go back to the community and we will be building communities again. Sir, if one looks at the Throne Speech which was delivered, one would recognise this Party will be big on delivering house spots across Barbados and as I always said, we will be doing a parallel housing programme.

Mr. Speaker, if you were to go to St. Lucy, a place called Mount Poyer, you will see the Honourable Member for St. George North who would have visited that areas, Mount Poyer, agreed with me that he would have sold those persons 30 spots. Instead of the people getting the spots, the Honourable Member for St. George North was changed, houses were built but before the people moved into the houses the Government changed and had to repair every single house.

Sir, if you go into Mount Poyer today you will see Mount Poyer No. 2 where spots were given to the people and when you look at the houses at Mount Poyer No.2, you can better understand why I have been asking the Barbados Labour Party for fourteen years to create a parallel programme where you made spots available to the masses of people in the country for them to be able to deliver their own houses.

Sir, when you look at the houses in Mount Poyer and compare them to what the Barbados Labour Party did to poor people, one can see those persons were saddled with high mortgages and inferior houses. I am saying this Democratic Labour Party will change that. We will not adopt the policy of the Barbados Labour Party where they looked out only for friends and the 'too fews', but we will bring back community life to the villages by allowing the carpenters, masons, plumbers and everybody to share in the glory.

Asides.

Hon. D. St.E. KELLMAN: We are just doing the Democratic Labour Party's policy as opposed to the Barbados Labour Party's policy,

Mr. Speaker, we heard about how the Grotto's cost has increased. It is obvious if we increased the number of floors, the cost would have to be increased. It is obvious if you are putting in a sewerage plant which was not budgeted before, the cost would have to be increased.

Sir, we come in here floating these things giving people the impression that there is some cost overrun and we were in bed with persons to increase costs just for the sake of increasing costs. It is not like that. It is just like St. Lucy Secondary School Hall, where you recognise that at the St. Lucy Secondary School it was not an overrun, it was just an increase in the building, the same thing, Sir.

Mr. Speaker, I am also saying that you have a situation where you heard about NCO, as if NCO and the other companies were the first company to leave Barbados. Sir, it is clear that these companies, and it is something that both Parties will have to look at, we have to look at the tax holidays these companies enjoy, because it is clear when they have exhausted the tax holidays, they tend to look at the next best offer placed on the table.

Sir, we hear a lot of crocodile tears in here as if they were not around when they closed down Intel and all those companies. Now they are going to come in here as if they have clean hands. Their hands are not clean because many companies would have left Barbados under them, under the same circumstances. So do not behave as though we have a quick fix to everything thing and they can do everything right and everything is wrong.

Sir, you would not believe listening to them about the demise of the sugar industry. They were the ones who came here one Budget Day and cut the sugar quota by 10 000 tonnes even though I begged them and demonstrated by producing statistics to show they were making an error. I said them that you just do not cut sugar quotas like that because there is something called carry forward sugars. In other words, when you supply your quota, you are allowed ...

Asides.

Hon. D. St.E. KELLMAN: You were in here when the Honourable Member for St. Peter cut the sugar quota by 10 000 tonnes and he supported it too because he never objected.

Mr. SPEAKER: Honourable Member, please address the Chair and let us move on, please.

Asides.

Hon. D. St.E. KELLMAN: Mr. Speaker, the Honourable Member for St. George South, at the time, the Honourable Louis Tull, begged the Honourable Member for St. George North and the others who are still here to support him, and none of them supported him and they closed down Bulkley. During the campaign they were running around telling people that they are going to bring back Bulkley Factory, after closing it.

Mr. Speaker, I want to make the point that we have always had a policy in the sugar industry that we would only produce because we could not tell what the next crop will bear. So you should produce more than your sugar quota. The other sugars would be shipped first so that when you get the additional production for the year you would then have carried forward sugar. So anytime you had a bad crop you would still be able to fulfill your quota. The

Barbados Labour Party, as usual, not understanding these things went and cut the sugar quota by 10 000 and destroyed the sugar industry.

Sir, that was not all. They also introduced something called the Ecological Groupings. What is that? Sir, the ecological groupings said that you punish the good plantations and you compensate the bad ones. Let me explain what I mean. Sir, those plantations that could hardly grow sugar cane on the coastline, they were paid a higher rate than those that were in the St. George Valley and so on, so what you got, Sir, is that they phased out the good plantations from growing canes and encouraged the poorer ones to grow canes, which was a very bad policy.

Sir, what you saw is that those plantations that had good lands that were accustomed getting \$75 per tonnes on average for everybody, they then got \$58 per tonne, while the worst plantations were getting more than \$70 per tonnes. Sir, what happened plantations like Constant, the Valley and so on stopped with their production because it was not worthwhile, when those the plantations that should have been producing. While other plantations that the lands should have been used for building houses, were kept in canes while the good plantations were taken out of canes and caused places like Cottage, Groves and all those plantations were forced out of sugar production, because of the bad policy of the Barbados Labour Party and plantations on the sea border were allowed to remain in sugar production.

We are here today, Sir, not because of bad policies of the Democratic Labour Party but bad policies of the Barbados Labour Party that cannot be argued, Sir, because they are documented and you had the Ecological Groupings, you had the carry-forward Sugars that they destroyed. You had a plantation like Hopewell and not only was Hopewell the best plantation, it had one of the best managers and owners. There is no doubt that Mr. Cozier, who is now the largest landlord in Barbados, was easily the best plantation owner and the best diversified plantation in Barbados but because of the policies of the Barbados Labour Party he too, was forced out and now instead of growing food for Barbados, he is now growing house lots, all because of bad policies of the Barbados Labour Party.

Mr. Speaker, it is no doubt that we have a massive task to achieve but we will deliver. There is no doubt that it is not by accident that we were given the mandate for the last five years because the truth is, had the Barbados Labour Party been in office, they would not know what to do. Sir, are you talking about a housing policy? There is a housing project that they had by Husbands that they went to bed with the National Bank, a joint housing project and the National Bank had to sell the houses lower than the prices that they were built at. Not only that, go to Fairy Valley and you will see - that they went to bed again with

some contractors with NHC - and today the sad story that was left in Fairy Valley.

Therefore, wherever you go within this economy, you can see a trail left by the Barbados Labour Party that is not positive so when they come in here delivering a three-hour speech, seeking to criticise us for all the wrong they have done. We say, guilty because what we have done, we have accepted all the wrong that they have done and we are now correcting it.

You would believe that when you hear them speak about tourism that their hands are clean. The best tourism project we had was the Naval Base because that is the longest. You are talking about bedrooms but the longest bedrooms you ever had in Barbados are at the Naval Base and they closed it. They not only closed the Naval Base but they closed down North Point too. When you do a check on the development of St. Lucy, you will recognise that because of catching at a few dollars, that they destroyed the main foundation of the tourist industry by closing out the Naval Base.

You would ask, what the Naval Base has to do with tourism? The truth is that when they had the Naval Base our American visitors were up because of the families of the soldiers used to come to Barbados because there was a natural relationship between Barbados and the United States and Barbados having the Naval Base but the Barbados Labour Party did not understand that, closed the Naval Base and if you look at the statistics, you would recognise that from the time the Naval Base closed, that the American numbers fell and that is a fact.

So much so that in 1994 when I came in here, I asked them to develop a baseball field down at the old Naval Base so that we could have an attachment again to the Americans and they refused to listen. Now they come in here talking about declining numbers from the United States when they have destroyed it. I am saying, Mr. Speaker, that the Democratic Labour Party will ensure that we do those things that are necessary to carry forward this country. We will ensure, Sir, that we will get the house spots, as spoken about in the Throne Speech.

I want you to know, Sir, that while they were interested in selling land to the higher bidder, this Democratic Labour Party was putting in its Manifesto since 2008 that it would have been selling land to poor people at \$5 a square foot and 500 lots. The Honourable Member does not even know that Mount Poyer No. 2 was sold at \$5 a square foot and there are many areas that we have sold lots.

Asides.

Hon. D. St.E. KELLMAN: No. The 15 are not the \$5 a square foot. That is for the middle class. If you check around Barbados, the Honourable Member for St. James North who should know better because he lives on the gold coast or represents the gold coast. He would know that land is selling as \$1 000 a square foot in Barbados and if you do not know, ask the Honourable Member for St. Andrew because you all are very good friends and I know he will share that information with you.

Mr. Speaker, I am saying that we had to enter the market and we had to ensure that now that land is selling as high as \$1 000 a square foot as the Honourable Members on the other side would know, that we had to enter the market and ensure that we not only had the \$5 a square foot lots but we also had to find lots for the middle class of this country because as I said, we have to have a parallel programme and that is exactly what we are setting about to do. We are going to be building houses, we are going to be building units where they are needed and we are also going to be putting in house lots. Nobody can complain about that because what we are trying to do is to create total satisfaction within the economy.

Mr. Speaker, it is no doubt that the Party that sold out Barbados to the Trinidadians - and if you had any doubt about that, Sir, all you had to do was to go to one of their political meetings and you would have seen the beer that was being used at the political meeting was nothing about Barbados. All of these crocodile tears about supporting local, they did not know that, but they used Stag and Carib during the elections. They had to dance to their masters.

Mr. Speaker, I also want you to know that we forewarned them that they were making an error when they were talking about all these Pan Caribbean companies. There is nothing wrong with having a Pan Caribbean company if you are developing a new company and asking the whole of the Caribbean to buy into this new company to drive exports. But when you are pushing the retail sector, and you are not creating anything new, you cannot be behaving as if you are doing something for the country because all we have done - when I said, 'we', I am talking about the Barbados Labour Party Government, when I was in Opposition at the time - is to drive Barbadian investors, and I want to make this point, Mr. Speaker, because what we saw were investors being turned into servers. They took Barbadians from being investors and carrying all their money and putting it in the bank, and now have Trinidadians telling Barbadians that they are second classed citizens in their own country.

Sir, what was even worse, the bank that was developed by them to develop small business people in this country they sold. They sold out their own bank and stopped business people in Barbados from getting loans from their own bank and then they would want people to

believe that they are in their interest. Sir, right now I found a situation when I went to the Ministry of Industry and which my comrade will speak about in a bigger way, where the manufacturers in Barbados could not even sell goods in Barbados.

Sir, that is why we had to come up with the concept of share rooms because they had to compete in their own country and the people... manufacturing was down in Barbados and on the export market manufacturing was up so we fully understand what has to happen.

The Honourable Member would speak to the shoe factory and all those things so because we understand that we have to cut out certain niche markets. We also have to understand that the Barbados Labour Party used to brag and talk about how we had in our manifesto a shoe factory since 1961. They used to brag about that as if they had something big on us. What we are saying is that we understood the importance of having a shoe factory and we understood the marketplace and we also understood the health reasons of having a shoe factory in Barbados. Mr. Speaker, they can talk what they like but they are not going to get me to talk about housing for the rich people alone. We will ensure that the fellows turn some concrete in the road again and we will ensure that we will continue to have discussions with the Arawak Cement Plant to ensure that not only...

Asides.

Hon. D. St.E. KELLMAN: You can talk. That is the problem with you all because you all want to move the culture away from the people. They have no vision.

Sir, it was they who also came in here and banned backyard slaughtering and got rid of the yard fowls. They got rid of the yard fowls and told people that they should have only broilers and now the termites are eating down the poor people's wooden houses because they did not know that the yard fowls used to eat the termites and stop them from eating down the houses. It is they who caused the people houses, so do not thing...Mr. Speaker, it is no doubt that the Honourable Members do not understand those vital things.

Another thing that we would also have to look at in terms of housing is the possibility of not only a house spot because one of the things that I recognised is that for the last few years in the Barbados Labour Party time they were concentrating only on a house, they were not concentrating on sustainability. The Honourable Member for St. George North would have visited with me to a plantation in St. Lucy called at the Cottage and we agreed, the Honourable Member for St. George North and myself you know, that we would acquire that plantation and that the people would not only get a house spot but they would also get a piece of

land to farm. Do you remember that? Yes. They did not acquire the plantation and it is still there.

There are people now who say that they do not only want a house spot but that they want to be able to get a house and a piece of land and to be able to work that piece of land to contribute to agriculture. Sir, I am saying that is also something that we cannot ignore. It is something that the people asked for and we will please the people. We will not only please those who fly in here with suitcases with big sums of money as they have said in their policy on the Floor of this House, we will please Barbadians first and then we would look outward. Our policy would be the reverse to theirs because we understand that if you create a society and make that society happy, then you could talk about increasing productivity because if your society is not happy, then they are the ones who would be the workers and then they cannot perform.

Mr. Speaker, this Democratic Labour Party is the party that is interested in uplifting the masses of people in this country. It has a plan and it will carry forward that plan to change the landscape of Barbados because in that policy when you sell a piece of land everybody would know that they are going to an area that somebody might be keeping a sheep, a goat, a pig or chickens so they cannot then complain that when they bought the piece of land they did not expect this to happen. You cannot any longer continue to have a situation where a man can keep a dog but he cannot keep a chicken or a pig. We must be realistic and we must realise that we cannot continue to fool ourselves because the problem with the Barbados Labour Party is that everything they saw overseas they brought it back to Barbados and tried to push it on Barbadians and all the good old habits that our senior citizens taught us, they destroyed all of them and behaved as if we are a rich country and we do not need to feed ourselves.

Sir, the first time that I have ever heard that we need to buy cheap goods and not grow food is from the Honourable Member for St. Peter. He said import substitution what, we can buy it cheaper. Sir, that is what got Barbados in trouble now because we stopped repairing televisions and refrigerators because of his bad policy. He got rid of the workers who used to service all of that equipment and encouraged Barbadians to dump foreign exchange and you would hear them in here today bellyaching about reduced revenue and the lack of foreign exchange.

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

Hon. D. St.E. KELLMAN: It is all because the Honourable Members on the other side went along with the others under the belief about comparative advantage. We had nothing to gain from it. For over 300 years, we lived on

import substitution and it worked well for us but from the time we tried to experiment by moving away from import substitution and going to comparative advantage, is when the thing...

Mr. Speaker, I sat here and heard the Honourable Member for St. Michael North East making the point that the years we had a deficit would have been the years after we introduced the accrual system. It is quite obvious, Sir, that is why the accrual system was introduced because the accrual system allows you to pick up all the things you owe and instead of having them in the desk or hiding them, you had to account for them. All of us who were in Government know that there were many statutory boards which owed money but because of the cash basis system they did not had to report what was owed, so once you went to the accrual system which we found that was left to us by the Barbados Labour Party, it is obvious that we would have to report deficits. It is not that the deficits were not there before, they were there but they were not accounted for. The accrual system allows you now to account for them, so what you are seeing now... You hear that the Democratic Labour Party is running deficits but the Democratic Labour Party is only picking up the deficits that were left by the Barbados Labour Party who was fortunate to have the cash system and did not had to account for the expenditure that they did not pay. Unfortunately for us or fortunately for us we now have to account for all of those things.

Mr. Speaker, I want to leave one last thing with you.

Asides.

Hon. D. St.E. KELLMAN: Yes, you all introduced it. In the 90s we borrowed a loan for £30 million - I know that everybody would say that is my little toy but I love it - of which we got £120 million. I ask every Honourable Members in this House today to look to the back of the Estimates and tell me how much money we would have to pay if we were to repay that loan today. Sir, I was told by this House that it was the worst loan that was ever borrowed.

Mr. Speaker, I challenge anybody to tell me, after looking at the statistics, whether it was either the worst or the best loan. Sir, I am going to make my own judgement, it is the best loan. What they did not realise was that the 13.5 per cent rate was the stated rate but that it was not the effective rate. Sir, from the time we borrowed the loan, the rate of the pound sterling dropped and so you had to depreciate the interest rate also. Sir, because they do not know, they washed their mouths all the time on us without understanding that the loan was not a fixed loan but that it depreciated according to the currency and that the pound sterling never dropped back to \$4. Sir, that is why you would see that a loan that was borrowed for \$120 million is now stated in the Estimates as payable at \$95 million. Sir,

on top of that, every year that we serviced the interest, it was not the interest based on 13.5 per cent but based on the deflated amount because the pound sterling dropped and the principal amount was lowered.

Mr. Speaker, it is on the accrual accounting issue that they have failed miserably. They have failed this country because they were in charge of this country for 14 years and the truth is, they did not understand what they had to do, that is why in the same way they did not understand how to carry forward sugar, they did not know how to carry forward revenue either because when they got the surpluses in revenue, they tried to match the expenditure to revenue and that is why we would find ourselves in a situation where instead of building up reserves, they tried to max out all the revenue they received from VAT, that is why in difficult times we are now in this position.

Mr. Speaker, I am saying to you we will continue to do the good work. We will ensure that we have a housing programme for everyone and that we will H.E.L.P. (Help Every Last Person), as was stated by the Honourable Member for St. Philip North and in the Manifesto of 2008-2013 because we understand what we have to do and how to create the problems left by the Barbados Labour Party, that is why the people had confidence in us in putting us to correct the problems left by the Barbados Labour Party. I thank you.

Mr. SPEAKER: I am obliged. The Honourable Member for Christ Church South.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that this Sitting be suspended until Tuesday, March 19, 2013, at 10.00 a.m. Mr. Speaker, briefly speaking on the Suspension, I would want to remind Honourable Members that Parliament has made arrangements to have the Official Photograph of all Honourable Members of the House of Assembly taken tomorrow at 12.30 p.m., so that when we break for Lunch, it is intended that we quickly assemble downstairs in front of the steps where the Official Photograph would be taken. This is to complete the records of Parliament, which is a very important activity which we need to support.

Mr. Speaker, again on the Suspension, I want to remind Honourable Members that this is, of course, a Suspension and not an Adjournment, so that we start promptly at 10.00 a.m. tomorrow. The arrangements I have with the Honourable Leader of the Opposition is that an Honourable Member of the Barbados Labour Party Opposition will speak first tomorrow morning.

Hon. A. D. BRATHWAITE: I beg to second that, Sir.

The question that this Sitting be now suspended until 10.00 a.m. tomorrow, March 19, 2013, was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

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SPEAKERS IN THIS ISSUE

BOYCE, Hon. J. D. E. (Christ Church South)**BRATHWAITE, Hon. A. D. (St. Philip South)****CLARKE, Mr. G. A. (St. George North)****JONES, Hon. R. D. (Christ Church East Central)****KELLMAN, Hon. D. St.E. (St. Lucy)****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)**

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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 correcting and preparing this report. Members are named as in the 2013–2018 Parliament.

Q1. Front matter. The transcript reads ‘Mr. Speaker took the chair at’ with no time given, and no time of meeting is stated elsewhere. Please supply the time from the Votes and Proceedings. The PRESENT list and the officiant at Prayers are as given in the transcript; post-nominals have been set in house style, and ‘D. M.M. AGARD’ is printed as ‘Dr. M. M. AGARD’.

Q2. Throughout. The transcript carries production markers between takes (for example ‘ESTIMATES - House B3A, Sequence 07’, ‘House B3 Sequence 13’, ‘H:B2 (34)5.17 p.m.’ and ‘H/B3/11:52’). These, a stray ‘2009.’ and a repeated ‘This House is in Session.’ after the opening, have been omitted. ‘Asides’ notes are printed in italics.

Q3. Order No. 1, Hon. D. St.E. Kellman. No call by the Chair is recorded before this speech: Mr. G. A. Clarke ends ‘Mr. Speaker, I am obliged to you’ and the next paragraph begins ‘The Hon. D.St. E. KELLMAN: Mr. Speaker, I rise to speak on the Appropriations Bill’. The name, which appears inside the paragraph text four times, is printed as a speaker heading. Please confirm that nothing is missing at this point.

Q4. Order No. 1, Hon. R. L. Sealy. Mr. SPEAKER calls ‘the Honourable Member for St. Michael East’ before Hon. R. L. Sealy rises; at the resumption he calls Hon. R. L. Sealy as ‘the Honourable Member St. Michael South Central’, which is his constituency. Printed as in the transcript; please confirm the first call.

Q5. Order No. 1, Hon. Miss M. A. Mottley. After an ‘Asides’ note the transcript repeats the word ‘woe.’ as a separate passage under Hon. Miss M. A. Mottley; it repeats the end of her preceding sentence (‘gives you the tale of woe’) and has been omitted.

Q6. End of Sitting. The Sitting was suspended, not adjourned, until 10.00 a.m. on Tuesday, March 19, 2013, and the debate on Order No. 1 continued then; there is therefore no ADJOURNMENT heading.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House met on Monday, March 18, 2013, with Mr. Speaker in the Chair; Prayers were taken by Reverend Canon Ivan Harewood. No Minutes were available for the last meeting and, on the motion of Hon. J. D. E. Boyce, seconded by Hon. F. J. Stuart, they were deferred. Hon. A. D. Brathwaite moved the first reading of the Police Complaints Authority (Validation) Bill, 2013. On the motion of Hon. J. D. E. Boyce, Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 were suspended for the rest of the Sitting.

Under Order No. 1, the Appropriation Bill, 2013, Hon. C. P. Sinckler, Minister of Finance and Economic Affairs, presented the Bill and the Estimates of Revenue and Expenditure for 2013-2014. He described 2012 as a difficult year and reported foreign exchange reserves of \$1.5 billion at the end of December 2012. For 2012/2013 he gave revised current revenue of \$2 420.7 million, total expenditure of \$3 581.1 million and a revised deficit of \$613.1 million, or 6.6 per cent of GDP, and said that personal income tax was projected to fall by about \$50 million because of the changes to rates and bands. For 2013-2014 he projected total expenditure of \$3 808.6 million and a deficit of \$496.7 million on a cash basis, or 5.3 per cent of GDP, with \$844.5 million of the deficit on the Accountant-General’s basis financed from domestic sources and \$373.8 million from foreign sources. He announced a special stimulus programme of capital works additional to the \$309 million in the Estimates, and said that the lease for a new track at Bushy Park was close to signature.

After the luncheon suspension, Hon. Miss M. A. Mottley, Leader of the Opposition, replied. She opened by condemning an attack on two tourists in Bridgetown the previous afternoon. She said that corporation tax had fallen from \$521 million to \$288 million over five years, quoted the Auditor-General’s 2012 Report on Invest Barbados and that agency’s own statement that close to US\$300 million in potential investment had been lost to bureaucratic delays, and noted that the Opposition now had 14 elected Members. Drawing on the Book of Nehemiah, she called on the Government to put forward a programme to stop the bleeding of the economy.

Hon. R. L. Sealy, Minister of Tourism, began his speech before a suspension until 5.40 p.m. and continued afterwards. He said that the Appropriation Bill was the one measure the Government was constitutionally required to bring, that the Government and Opposition had not been so close in numbers since the 1966 Parliament, and that the Opposition might call Heads alternately. On a point of order, Hon. Miss M. A. Mottley said that she had not suggested that foreign-owned banks should not take up

Government paper, but had quoted the Financial Stability Report; Mr. Speaker said that the Member had no right to say so.

Mr. G. A. Clarke said that manufacturing, tourism, agriculture and construction were all down, with tourism down by 9 per cent, and that the vote for the Rural Development Commission had moved from \$10 million to \$7 million. Hon. D. St.E. Kellman thanked the people of St. Lucy, spoke about housing at Mount Poyer and the

sugar industry, and defended the loan of £30 million taken in the 1990s, saying that its stated rate of 13.5 per cent was not its effective rate. On the motion of Hon. J. D. E. Boyce, seconded by Hon. A. D. Brathwaite, the Sitting was suspended until 10.00 a.m. on Tuesday, March 19, 2013. Hon. J. D. E. Boyce reminded Members that the Official Photograph would be taken at 12.30 p.m. the next day and that a Member of the Opposition would speak first in the morning.