
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

FIRST SESSION 2013 – 2018

HOUSE OF ASSEMBLY

Monday, March 16, 2015

Pursuant to the adjournment, the House of Assembly met at 10.00 a.m. on Monday, March 16, 2015.

PRESENT

The full list of Members present is to be inserted from the Votes and Proceedings. Members identified from the record of this Sitting:

His Honour M. A. CARRINGTON, Q.C. (Speaker)

Rt. Hon. F. J. STUART, Q.C. (Prime Minister, Minister of National Security, the Public Service and Urban Development)

Miss S. J. O. BRADSHAW

Hon. Miss M. A. MOTTLEY, Q.C. (Leader of the Opposition)

Hon. C. P. SINCKLER (Minister of Finance and Economic Affairs)

Hon. J. D. E. BOYCE (Minister of Health) (Leader of the House)

Mr. G. A. CLARKE, J.P.

Mr. D. G. SUTHERLAND

Miss C. Y. FORDE, J.P.

Mr. E. G. HINKSON

Hon. D. St.E. KELLMAN (Minister of Housing and Lands)

Prayers were read.

PRAYERS

MINUTES

Mr. SPEAKER: Good morning, Honourable Members. This House is now in session. Members have not yet received the minutes of the meeting held on Monday, March 10th. We ask the usual motion to defer the minutes of Tuesday, March 10th.

Hon. J. D. E. BOYCE: Honourable Mr. Speaker, I beg to move that the minutes referred to be deferred.

AN HON. MEMBER: 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: Honourable Mr. Speaker, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 42, 43 and 44 for the remainder of today's sitting.

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

GOVERNMENT BUSINESS

Mr. CLERK: Order Number 17, Sir. In the name of the Honourable Minister of Finance and Economic Affairs, to move the Second Reading of the Appropriation Bill 2015.

ORDER NO. 17 – APPROPRIATION BILL, 2015

Mr. SPEAKER: Yes, Honourable Member for...

Hon. C. P. SINCKLER: Thank you very much, Mr. Speaker. Sir. Mr. Speaker, I crave your indulgence in executing my responsibilities as Minister of Finance and Economic Affairs to place before this Honourable Chamber in second reading the 2015 Appropriation Bill and the accompanying estimates of revenue and expenditure. I do so, sir, just two weeks short of the close of the existing financial year 2014–15 and the initiation of a new period for financial outlays to drive the implementation of Government's programme for the continued socioeconomic and physical development of our homeland and its people.

Sir, as elected legislators and political managers of the affairs of state, we labour under the firm belief that it is the ultimate goal of any responsible government to so comport its efforts and apply its energies so as to ensure, as far as is humanly possible, the orderly, equitable and most efficacious development of the country over which we have been given the mandate to govern. Indeed, as a seminal hallmark of first principles, ours is a divine responsibility to harness all of the resources, talents, ideas and aspirations of our fellow citizens for the single pursuit of procuring the highest standard of living and the best quality of life for every man, woman and child, irrespective of their station among us.

It is for this reason, more than any other, that this Democratic Labour Party administration has committed itself to the lofty ideal of pursuing and achieving the objective of a Barbados that is socially balanced, economically viable, environmentally sound and characterised by good governance. We therefore inculcate the view that in many respects the periods we spend in the corridors of government are not merely disjointed events characterised by a callous attitude of belief that it is our inherent right to govern, but rather that each time this administration is given the honour to lead this country there is a deep and fundamental mission to lead a transformation.

We do so, sir, fully aware of the reality that such a mission, long and involved as it inevitably will be, will be characterised by periods of rapid advancement in social and economic development, as it will from time to time be punctuated by periods of challenge and even setbacks that will rock the confidence of the less strong among us. It is an inescapable truism that development, like success, is a dynamic. It doesn't sit on a wall or grow on a tree where any and all can go pluck it and store it unto themselves. Rather, development and the achievement of it is a process which endears us to work hard each and every day towards reaching its many stations of success, with each level being increasingly more difficult to attain as we seek to protect those that we have already gained.

And so, even as we rightfully set eminently achievable objectives as a national pursuit, we are not unmindful of the realities that condition the domestic,

regional, and especially international environments within which Barbados is made to exist. Such environments, as they are, can be at one time conducive to the attainment of our goals, but equally can be quite easily so inherently unstable and challenging as to put the brakes on our advance towards our ultimate ideals.

Sir, it is a fact of historical record that both political parties in this country that have from time to time enjoyed the privilege of managing our affairs have had to do so during periods of plenty and certainly in times of challenge. Of course, if you were to believe everything you hear and read nowadays, one would hardly believe that this is the case. But the record is clearly there to show. And what does it tell us? It tells us that in the post-independence period of the economic and social history of this country, our country has gone through such a great socioeconomic transformation that today, even in spite of our economic challenges of the past few years, it is still considered to be one of the leading small developing countries in the world. Our economic, health, educational and social development systems are as good as any in the developing world. Our middle class more entrenched than most, we still boast a relatively high GDP per capita income, and our political and civic systems of government are second to none among developed and developing countries alike.

These and more have all been the results of a concerted effort of all of our citizens to invest in the human and social capital of our country, undergirded by a solid economic platform based on strategic interventions in building economic sectors such as tourism, financial services, agriculture, manufacturing and the distributive trades. But just as we have enjoyed success in the past, and surely we will achieve even greater things in the future, ours is also a history that shows that along the way we have had to pass through periods of such economic challenge that from time to time have interrupted our march towards becoming a developed country.

In this regard, sir, it bears reminding those who might not know, and indeed those who have especially opted to forget, that this current period of economic challenge, protracted though it has been, is not the first time that this country has faced severe economic challenges. Indeed, this is the fourth such time in the post-independence period of Barbados that this country has been adversely affected by economic turmoil which started outside of these shores and mitigated its way right down to the common household in our communities. Lest we forget, sir, previous to this, Barbados and Barbadians have had to contend with the economic fallout from the first oil crisis in the early 1970s, a second oil crisis in the early 1980s, a third oil crisis in the early 1990s, and now the worst of all of them, a deep-seated global financial meltdown and an accompanying economic recession in 2007–08, the effects of which we still feel today.

The singular difference is that while most of the previous economic recessions were driven predominantly by production crises, particularly in oil, leading to unsustainable shortages and then price increases, this last recession struck more cruelly at the very heart of the globalised economy, its financial lifeblood. And therefore, unlike others, this one was much more severe and disruptive and created more instability among predominantly western-style economies such as ours.

In this regard, sir, it is quite instructive to have listened last year to the analysis of Professor Sifrid Bergson of the renowned Peterson Institute, who opined that with these types of recessions - financial recessions, that is - the normal recovery time is a minimum of 10 years. And so he did not expect to see any robust recovery in many economies before that time. Today, colleagues, we are in the seventh year after the full blast of the economic contraction in 2008. And indeed, sir, as predicted by Mr. Fred Bergson, several of our economies are still grappling with the effects of those challenges.

It is equally instructive, sir, to have listened to the postulations of our colleague, the Right Honourable Member for St. Peter, who on more than one occasion has found reason to remind us, both in here and wider afield, that no other Minister of Finance in the history of Barbados has had to face the kind of challenges in our economy that I have had to contend with in the past four to five years.

Lest we be taken to be saying that these observations are excuses, and that as a government we clothe ourselves and bury our heads in the sands as to the realities that confront us, let me say that we take no comfort in those observations, even though in their own right they are correct. What we do, however, draw from them is that we should not, as a country, underestimate the magnitude of the challenge which these recessions pose to our people, particularly in finding the correct formula to restore ourselves to economic and social viability. Moreover, that we draw appropriate lessons from not just the recent brush with recession, but using it as a comparator with previous episodes, that we craft the correct mix of policies to ensure that we better insulate ourselves from the ravages of the next global downturn, which will almost certainly visit upon all of us in the not too distant future.

One of these lessons, sir, is the reality that Barbados' economic structure is so inextricably linked to that of the global economy, especially our major trading partners, that any economic and financial fallout among them will adversely affect Barbados in short order. Secondly, that the inevitability of fallout is surpassed in its certainty only by the realism that each episode of contraction will likely be more severe and prolonged than the previous one. Thirdly, that because of the amplification of the severity of the recessionary impact, the nature and speed of recovery

within the domestic economy will more likely than not be slower and more uneven than it was for the previous one. These are just basic realities which the empirical data and sound analysis will confirm.

What it would also confirm, sir, is that in the face of these realities, appropriate policy measures - ever mindful of how painful and disconcerting some can be to the wider society - when steadfastly and equitably applied, in keeping with the philosophy of shared sacrifice, will eventually break the mould of economic contraction, financial instability and social hiatus. It is, therefore, my considered and humble submission to this Honourable House and to the country at large that if there is any lesson that we are learning from the very challenging period we have confronted and continue to confront these past years, it is that once we have designed the correct policy response to our issues, we must stay the course, for sooner rather than later the benefits of our efforts will pay dividends.

And as I stand before this Honourable Chamber today, I say to all Barbadians, in spite of what you would have heard and no doubt will hear during the course of the next few days and beyond, that our efforts as Team Barbados have not and will not be in vain. Indeed, there is every reason with some evidence to show that in fact our very efforts are beginning to bear fruit. Few can deny that our economy is beginning to turn around, sir. That is not just my view or that of any official institution like the Central Bank or so forth. That is the view of even the most casual observer, far more senior business people and investors, both domestic and foreign. And this is not by happenstance or luck. It is because this Government set itself a task of identifying the critical challenges confronting us and designing a programme to address those issues.

In doing so, we asked the country to embark on a 19-month programme that set as its objectives the following:

1. To stem the outflow of foreign reserves and restore confidence and stability in the FX market, thereby securing our currency peg against the US dollar.
2. Reducing our fiscal deficit to more manageable levels in an effort to stabilise growth in the short-term debt by 2018.
3. Returning our economy to a path of economic growth based primarily on the expansion of our foreign exchange earning sectors, supported of course by other productive and domestic economic sectors including the building of a new green energy sector.
4. Continue the process of public sector rationalisation and reform to reduce the financial outlay for

public services through making state-owned entities more efficient and proficient.

5. Maintaining a reasonably solid social safety net to assist the most vulnerable in these challenging economic times.

And what have been the results so far? Mr. Speaker, 18 months ago we faced a very serious challenge to the stability of our dollar as our foreign exchange reserves dipped to uncomfortable levels. We moved quickly and decisively to address the slide with a combination of fiscal and FX management policies, and within a year stability and confidence in the FX market was restored. Today the normal pattern of foreign exchange transactions has returned to the market and the country is affording its foreign exchange expenditure from the inflows without recourse to the Central Bank reserves of any significant extent. This is a major achievement which demonstrates the appropriateness of the measures which Government has introduced.

We went into 2014 mindful that the continued impact of the global economic downturn was ever present in our main sectors of tourism and international business as well as in the flow of foreign direct investment into Barbados, and that this would continue to affect our ability to grow our GDP. Indeed, we also surmised that when coupled with a very stiff fiscal consolidation programme, this was likely to produce negative economic growth. Most international institutions, including the International Monetary Fund and ratings agencies, forecast as much as a 1.5 per cent decline in GDP during 2014. Our own estimates suggested that while negative growth was likely, it was not going to be of that particular magnitude.

And what have been the results? According to the January release of the Central Bank in its report on 2014, while the economic environment remained challenging all year and growth was muted, Barbados' economy began to show signs of a turnaround in the latter part of 2014 to finish the year at 0.3 per cent economic growth. This was from a position of a predicted and expected decline of at least negative 1 per cent of GDP.

In the real sector, long-stay arrivals - that is, tourist arrivals - to the end of 2014 increased by 2.2 per cent following a near 5 per cent decline in 2013. Tourism value added is estimated to have increased by 1 per cent at the end of last year, reversing the downward trend and weakness of the last three years. This positive movement came behind a better-targeted marketing effort of the Barbados Tourism Marketing Inc., the new agency, and a successful initiative to produce a very strong increase in airlift out of the traditional markets of the UK, USA and Canada. The UK market in particular contributed with growth in arrivals of 10 per cent, and stability returned to

the arrivals in both the US and Canadian markets which ended the year very strongly with relatively minor declines compared

to the precipitous falls in 2012 and 2013. Indeed so far for the current winter season, all of Barbados' key source markets with the exception of Caricom, where of course we know there are challenges with airlift and so forth and so on. In terms of prices, airfares and so forth, all of our markets are up significantly with figures showing strong arrival levels not seen since 2007 in the pre-crisis years. In 2013, the most recent year for which we have available statistics to calculate, and contrary to what some people have been saying, Barbados' tourism prices were 19 per cent more competitive than in 2008 and that is compared with other Caribbean destinations. While prices in international business and financial services, for example, were 9 per cent more competitive than all of our main competitors. Initiatives of course were taken during 2014 to further leverage this and to help Barbados achieve a greater footing in international business, even in sports. Of the challenges which we have had both from the financial fallout earlier in the recessionary period and then consistent changes in policy and legislation from our main source market of Canada.

So at the end of 2014, Mr. Speaker, sir, growth in construction activity expanded by an estimated 1 per cent largely on account of \$152 million more in tourism-related project expenditure. This is in contrast to a 12 per cent decline in the previous year. Construction and increased demand for quarrying products contributed to a 21 per cent growth in mining and quarrying. Solar generation capacity grew 3 megawatt hours to 7 megawatt hours. And non-sugar agriculture grew behind an 8 per cent increase in chicken production and a 5 per cent increase in crop production.

Mr. Speaker, sir, these are the results just so far. We estimate that in the second half of 2014, fuel prices dropped by nearly 18 per cent as prices at the pump began to reflect the downward price movements internationally. Commensurately, energy prices have also started to come down appreciably contributing to lower costs for businesses and households alike. Domestic exports, Mr. Speaker, sir, rose 4 per cent with electrical components up 27 per cent and chemicals 9 per cent respectively higher. Net long-term inflows totalled \$473 million, which was nearly \$200 million more than in 2013 as a resurgence in the real estate market continued with copious levels of investments in second homes by non-nationals. And sir, Mr. Speaker, sir, we are beginning to see that very strong resurgence all across our west and south coast in relation to what is happening with that particular market. Therefore demonstrating an increased confidence in Barbados' economy.

The inflation rate stood at 1.9 per cent at the end of 2014, reflecting declining prices for food, housing and fuel as commodity prices and fuel prices began to abate from their highs of a previous year. While the average unemployment rate for 2014 was around 12.3 per cent. So that in terms of stabilising the FX market, laying the groundwork for the resumption of growth, it cannot be contradicted that finally Barbados is moving in the right direction in relation to its economy.

Some might argue, sir, that the pace of expansion is too slow. And even still, as I have heard in recent times, that the growth predicted is too small to make up for the level of decline between 2009 and 2013. That may very well be true, sir, if you are only concerned with narrow statistical measures. But I say small growth and assured growth is better than negative growth and we have to start somewhere on the path to recovery. The 1.5 per cent growth that we predict in 2015, along with the 0.3 per cent that we got in 2014, is as good a place to start, right? Recognising the devastating impact of that global recession on our economy. Remember, sir, that the longest journey starts with the first step and we have started walking again.

However, the seeming successes which are beginning to show over the course of the current financial year and will no doubt continue into the next, as I have said, are not by happenstance. It is because we continue to be resolute as an administration and together as a country, even in spite of the efforts of some to divide us. It has not been easy indeed, sir. If anything, it has been very, very difficult. But through faith in God and confidence in our own ability to manage our affairs in such a way as to craft our own solutions, we believe that we are meeting the necessary success. And that is an important point.

So 2015 portends for us a chance to lock in the gains that we have had, small as they are, to push for further improvements and achievements in restoring our FX market and laying the foundations for real growth behind a stronger international economy, particularly among our major trading partners - the US, UK and Canada. But it is just phase one of a bigger project to repair, restructure and restore our economy to full economic health.

The other major aspect of the operation restore is to tackle the twin problem of deficit and debt. If there is anything that could stand between this country and its ability to return to robust and sustainable growth, it is our current challenges with high fiscal deficits and high public debt. These two, sir, have been keeping us on the back foot - in cricketing terms - for the better part of six years. We with only a short reprieve in 2011 when the deficit shrunk to 4.7 per cent of GDP behind strong VAT performances. Since then, sir, we went back up to the unsustainable levels of 8 per cent in 2012 and 12 per cent of GDP in 2013. That is why, after bottoming out in 2013, we set ourselves the

ambitious target in 2014 of trying to cut our fiscal deficit by almost half in a single fiscal year. Such was the urgency and critical nature of the challenge that was confronting us.

Having completed almost a full financial year 2014–15, and based on the preliminary data from the Accountant General's Office, the Barbados Revenue Authority and the Finance Division of the Ministry of Finance, I am obliged to give the projected financial outturn for 2014–2015.

The original budgetary programme for fiscal 2014–15 was designed to produce a deficit on a cash basis of six months of nominal gross domestic product at market prices calculated on an international financial institutions basis. On an accrual basis, the net operating balance was projected at negative 5.7 per cent of GDP. The fiscal programme for 2014–15 approved by the Parliament on March 21, 2014 showed current revenue of \$2 541.6 million, current expenditure exclusive of amortisation of \$2 972.9 million and capital expenditure of \$333.5 million, while the projections on an accrual basis showed a net operating balance of negative \$490.8 million or negative 5.7 per cent of GDP. When converted on a cash basis, the projection was for a fiscal deficit of \$564.6 million, or 6 per cent of GDP.

The outturn April to January - April 1 to January 31, 2015 - and then the final projected projections. Current Revenue: preliminary information received from the Accountant General indicates that current revenue for the period April 1, 2014 to January 31, 2015 was \$1 876 000 000, an increase of \$117.4 million, or 6.7 per cent from the amount recorded for the corresponding period during 2014. Taxes on incomes and profits realised \$542.9 million, an amount of \$73.5 million, or 15.7 per cent less than that collected for the corresponding period in 2014 and \$61.8 million more than projected for the period. Corporation taxes increased by \$4.6 million for the period under review. It should be noted that refunds for corporation taxes were \$3 million for the period under review. With respect to income taxes, \$62 million more was recorded for the period April 2014 to January 2015. Withholding taxes decreased by \$7 million from the corresponding period of 2014, while consolidation tax collected for the period was \$22.9 million.

Taxes on properties decreased by \$0.6 million for the corresponding period of 2013–2014 to \$104.3 million. Amounts of \$91 million and \$13.4 million were collected for land tax and property transfer tax, respectively. Taxes on goods and services decreased by \$19 million, or 2 per cent, to \$908.3 million. The projected amount for the period was \$1 018 000 000. Receipts of VAT totalled \$707.7 million, a decrease of \$27.1 million from the corresponding period of 2013–2014. Excise duties recorded \$104 million, an increase of \$2.5 million from the actual outturn. For the same period of 2014, import duties

increased by \$21.2 million to \$182.4 million. This is an increase of 13.1 per cent over the amount collected in 2013–2014 for the projected period under review. The projection for the period under review is \$167.3 million. Special receipts increased by \$53.8 million and this was partly due to \$34.4 million for the municipal solid waste tax and the projection for the period under review was \$73.2 million. Of this amount, \$49.9 million was projected from the municipal solid waste tax. Non-tax revenue recorded \$53.5 million, an amount of \$9.3 million less than for the corresponding period.

In terms of the expenditure, the current expenditure exclusive of amortisation decreased by \$90.2 million or 3.8 per cent from the 2013–14 figure April to January and that would be \$2 311.8 million. The original projection was \$2 308.3 million. Wages and salaries decreased from \$670.7 million in the corresponding period of 2014 to \$625.8 million. The projection was \$637 million. Expenditure on goods and services decreased by \$7.1 million to \$252.2 million. The projection for the period was \$264.8 million. Expenditure on current transfers declined by \$61.5 million, moving from \$873.9 million in 2014 to \$812.4 million for the period April 2014 to January 2015. The main contributors to the decrease were subsidies, grants to individuals and other benefits which reduced by \$13.3 million, \$10.8 million and \$24.3 million respectively. The original projection was for current transfers at \$786.6 million. Capital expenditure for the period under review was \$78 million compared to \$77.3 million for the corresponding period. Capital formation decreased by \$2.8 million whereas capital transfers increased by \$4.7 million. It should be noted that the original projection for capital expenditure for the period would have been \$93.6 million. Total expenditure for April to January 2015 was projected at \$3 079.7 million compared with \$3 109 million for the corresponding period. The original projection was \$3 097.8 million.

Debt: Central Government's disbursed and outstanding debt stood at \$11 344.8 million at January 2015, approximately 132.6 per cent of projected gross domestic product, compared to \$10 909.2 million for the corresponding period at the end of January 2014. Of the \$435.7 million increase in government debt, there was a net increase in external debt compared to the same period the previous year, mainly on account of the proceeds of the US\$225 million Credit Suisse loan and a US\$25 million CAF subscription loan, as well as disbursements on existing loans from the Caribbean Development Bank in respect of LIAT's refloating project. These increases were offset by payments of a \$120 million bond. Domestic debt increased by \$261.4 million, financed primarily through the issuance of debentures and short-term treasury bills which are accounted for the period. The net increase of \$435.7 million is attributable to the need to finance the deficit that we were projecting for last year.

Contingent liabilities stood at approximately \$1 435.3 million at the end of December 2014 compared to \$1 293.3 million at December 2013. The increase is attributable primarily to additional disbursements on existing facilities, as well as a number of new facilities secured for the Bridgetown Port - \$117.1 million; the Barbados Tourism Investment Inc. - \$55 million; the Queen Elizabeth Hospital - \$25 million; and the Transport Board - \$3.577 million.

The deficit for that period - April to January - represents 6 per cent of GDP at market prices set at \$8.555 billion. The deficit for the corresponding period in 2013–2014 was \$720.8 million representing 8.5 per cent of GDP at market prices with GDP set at \$8.458 billion.

So with that information and the latest information we have from the relevant authorities, the following projections are for the financial year 2014–15 where we add of course February and March. It is projected that current revenue for the fiscal year 2014–15 will be \$2 464.2 million. This will be \$155.8 million or 6.7 per cent more than the actual amount collected for 2013–2014. Taxes on incomes and profits are expected to increase by \$83.4 million to \$717.7 million. This is 13.1 per cent higher than for the corresponding period in the previous year and this would mainly be due to increases in income tax and consolidation tax of \$72.5 million and \$14.4 million respectively. Taxes on properties are expected to increase over the corresponding period by \$3 million to \$130.8 million, while taxes on goods and services are expected to increase by \$43.7 million to \$1.181 billion. The increase in taxes on goods and services is mainly due to increases in the bank asset tax and excise tax of \$18.7 million and \$25.2 million, respectively. Special receipts are expected to increase by \$20.7 million. Taxes on international trade should realise \$209.4 million, an increase of \$15.8 million or 8.2 per cent over the corresponding period last year. Non-tax revenue is expected to be the same as collected for the financial year 2013–14. That amount is projected at \$93.9 million, while grant income of \$55 million is projected to be received from the European Development Fund.

Current expenditure is expected to be \$3 755.8 million during 2014–15, an amount of \$39.7 million less than the actual expenditure for 2013–2014. Expenditure on wages and salaries is expected to decrease by \$64.7 million from the amount of 2013–14 to an amount of \$743.1 million. Expenditure on goods and services is expected to increase by \$6.1 million or 1.6 per cent from the 2013–14 figure to \$388.3 million.

The following supplementaries were approved by this Parliament during the year: \$2.2 million to cover rental of properties under the Ministry of Housing and Lands and Rural Development and this is to provide office space for

public offices; \$7.3 million to the Coastal Risk Assessment Programme to undertake a number of consultancies associated with the coastal risk management programme; \$3.5 million under the Ministry of Transport and Works to meet the payment of outstanding bills for traffic and street lighting.

Current transfers are expected to decrease by \$177.3 million or 14.1 per cent from the 2013–2014 figure to \$1 084.2 million. The following supplementaries were provided during the rest of the year: \$8.7 million provided to the National Housing Corporation in order for the outstanding payments to Mr. Al Barakah - and we will have of course a debate on that matter shortly; \$18 million to the Queen Elizabeth Hospital to meet monthly recurrent expenditures; \$3 million for the disbursement of bursaries to undergraduate students; \$20 million to the Transport Board to meet operational expenses; and \$25 million to the University of the West Indies to top up on their economic costs.

The current balance, therefore, at March 31st is projected to be negative - that is the overall balance - \$1 291.6 million. This is expected to be \$195.5 million less than for the previous fiscal year. There is a projected primary surplus of \$56.1 million for 2014–2015 compared to a primary deficit of \$351 million in the previous financial year. Capital expenditure is expected to increase by \$29.4 million or 20.4 per cent to \$273.3 million in 2014–15. This amount is also \$9.9 million less than what we had approved for the previous year. Capital assets are expected to decrease by \$3.2 million to \$63.7 million in 2014–15. This amount is, however, anticipated to be \$50 million below what was approved for the year. Capital transfers are expected to increase by \$30.5 million or 4.2 per cent to \$104.2 million. This is mainly attributed to the subscription of \$50 million with the Government of Barbados in stock to become a member of the CAF. Total expenditure is projected to be \$3 929 010 000, or 0.3 per cent less than in the previous financial year.

The fiscal deficit on an IFI basis, therefore, Mr. Speaker, sir, for 2014–2015 is expected to be \$604.1 million or 7.2 per cent of GDP of \$8.5 billion. Exactly as we had projected for our revised deficit in December. Indeed, Mr. Speaker, sir, it should be noted that on an accrued basis, if the value of the shares purchased by the Government of Barbados in the CAF of \$50 million is accredited and accrued on the asset side of the balance sheet, the actual effective fiscal deficit for 2014–2015 would be 6.7 per cent of GDP, just 0.1 of a percentage point outside of the original estimate of 6.6 per cent of GDP. And notice I said the revised - with a revised 7.2 per cent projected for 2014–15 - funds to meet the deficit have continued to be raised principally via the domestic market. It is expected that \$1 402.2 million, or 95.7 per cent of the \$1 464.9 million overall deficit will be financed by

domestic sources. The balance of \$62.7 million is expected to be financed from foreign inflows.

Now, here tells a story. Mr. Speaker, sir, during fiscal 2014–15, the Government of Barbados, I repeat, embarked on an ambitious homegrown adjustment programme. Many were saying to us, you should go to the IMF. You should go to this place, you should change the government. Well, that was for the people who wanted that, and we should do all of these things. This Government set itself the initial target of reducing the deficit - the fiscal deficit - from 12.3 per cent of GDP in 2013–14 to 6.6 per cent of GDP in 2014–15. The target was subsequently revised after six months of the current financial year. And we said in the ministerial statement in this Parliament in December that we expect it to land somewhere between 6.8 and 7.2 per cent of GDP. Based on what we were seeing, the fiscal adjustment programme has already shown success in attaining the preeminent objective of protecting the Barbados dollar and stabilising the foreign exchange market. That is an empirical fact. The value of the dollar has been protected by the measures that contain spending in line with foreign exchange availability. The fiscal measures to date have achieved that most important objective to reduce the demand for foreign exchange in line with our ability to supply.

From the figures I have just outlined, sir, it is clear that not only has the Government been able to meet its revised fiscal target of 7.2 per cent of GDP in the current financial year, but when we take account of the CAF capital stock, we would have been able to meet our original fiscal deficit of 6.6 per cent of GDP at market prices.

Sir, the fiscal deficit is not just a number. It reflects the amount of new borrowing you have to undertake in any financial year. It is absolutely critical that we get this number to a sustainable level if we are to avoid bequeathing an insurmountable amount of debt to future generations. This has been a painful exercise, do not get me wrong. Tough choices have had to be made. But it is a necessary undertaking that any responsible government charged with the responsibility of securing the future of its citizens would have to do within the circumstances.

the homegrown fiscal adjustment program in spite of the naysayers, in spite of those who do not want to believe it is therefore working. We have met an extremely ambitious fiscal target in 2014–15 and we are beginning to see the benefits in the foreign exchange market, in the stability of our economy and the resumption of growth. On the other hand, the primary balance is one of the best indicators of the current management of a country's fiscal affairs. It compares government revenues for one year to expenditures that are under the government's control during that year. Achieving a zero primary balance is often seen as a critical first step as you seek to restore the

financial balance overall in your economy. I am particularly pleased - this government is particularly pleased - to note that at the end of this current financial year, the primary balance will improve from negative \$385 million to a surplus of \$56 million in a single financial year. It means, sir, that for the first time since 2011, we are running a primary surplus and we are on our way to restoring the fiscal well-being of the country. This will provide further evidence that the homegrown growth and adjustment program is working. Our confidence in ourselves and our faith in our ability as a nation on the verge of our 50th anniversary of independence is evidence that we can craft policies in Barbados by ourselves, albeit with technical assistance from others, as all do, that can work precisely.

However, the job is far from over. We must stay the course, maintain our discipline and keep and extend the fiscal gains we are making in 2014 into the next financial year and beyond as our economy returns to growth. The combination of robust growth and fiscal discipline augurs well for our economic future.

Mr. Speaker, sir, I think that it is important to make this point as I close on this particular aspect of the debate and I reflect on some other things which I think are important before we lay out the numbers for 2014, 2015, 2016. Mr. Speaker, sir, in this entire process we have tried as a government, albeit with the challenges that we face and the difficulties we have had to confront during the course of 2014, to be as disciplined as possible. It has not been easy because it means having to deny ministries and departments and others resources that they would want to do a plethora of things - all, Mr. Speaker, sir, in the best interest of the people. That cannot be denied and we have stuck to our course.

One of the disturbing things, however, sir, as Minister of Finance and indeed as a government and indeed as a country, is the consistent effort by some not just to try to undermine the government's efforts, but to try to undermine the efforts of the country to keep its balance and to maintain stability. We will trade our political retailmanship from time to time - cross political parties, supporters, some of whom may not even be members of political parties, will do so, as is their want and their right to do so in the pursuit of the more excellent ideals of democracy. What, however, Mr. Speaker, sir, is of trouble to me as minister - for that I know - to the cabinet, to the parliamentary group, to the government, and to many others who know better, is this insidious attempt by some within our communities who have nothing better to do with themselves than to constantly conjure up and manufacture rumours and lies aimed primarily at destabilising Barbados. They are not destabilising this government because this government has its feet firmly planted on the ground, our shoulders to the wheel. And we are doing, and, as you can

see, achieving the results from our efforts. What it does, though, is that it destabilises, in many respects, the country. And it is something that we need to be very wary of.

I have gone through it on many occasions, but I think the latest one that we are hearing - and I say this, Mr. Speaker, sir, because I do not want to come easily to the parliament to make these points unless I feel it has the potential to cause a lot of unnecessary inconvenience and unrest among people - there is a very insidious rumour going around in Barbados that this government intends, has met, decided and intends to tax people's gratuities and pensions in Barbados. When I first heard it, the first iteration of it was that we were going to cut them. Of course, somebody quietly pointed out to whomever was spreading the rumour that gratuities and pensions constitute salary and therefore could not be cut. The purveyors of mischief, Mr. Speaker, sir, many of whom hang around the Robert Street area, decided that they would change that slightly to now say that the government intended to tax gratuities and pensions. I heard it and I honestly just dismissed it because I said, but that is foolishness. That is not true. And it certainly cannot happen under the law. But I just dismissed it.

However, several ministers of government, several public servants have stopped me and stopped others who can verify what I am saying - from the Prime Minister of Barbados back down - to say that this persistent rumour that is being spread is in fact causing some public servants who may have reached their required time in terms of calculation for pension - 33 and a third years, I think that is what it is - the service under the Public Service Act, for those persons to apply and put into the Personnel Administration Division for early retirement.

I want to make it abundantly clear. The media is here. I want to make it abundantly clear: no such policy has been discussed, has been considered, even considered, contemplated, or will be attempted by this government at any time, and certainly not when I am Minister of Finance or anybody else in this cabinet. I want to repeat, sir: no such policy was contemplated, discussed, or will ever be discussed. Because as far as we are concerned, gratuities, pensions and so forth form part of the property of the public servants that they should draw fully as they go home for their retirement.

The reason I am making this point, sir, is because the people who are doing this mischief do not seem to appreciate the fact that when they cause anxiety - unnecessary anxiety - in people who then go and apply for early retirement, those people in fact stand to lose on their pensions. Because they come out and collect their pensions early and below the age of 66 and a half years in the service. And if anybody - I pray not - but if anybody has done so, I will invite them, unless they really want to retire

for some legitimate reason, to not do so, to withdraw those papers, to cancel such applications and continue to contribute as you are to the development of Barbados.

Sir, the truth is that we only have one country. There are not two or three Barbadoses. Even though somebody wants to have an island built off the shores of Barbados - somebody says two, we maybe could do three - that is all for the future. I probably will not be around when that is happening. But there is only one Barbados here. And therefore, across the political divide, across the economic divide, across the social divide in Barbados, we cannot believe that it is so within our right to get what we want, or to get for whom we believe should have it the reins of power or the reins of authority in this country, as to go to the extent of destabilising and destroying what we have worked so hard to build up in the last 50 years in terms of our post-independence period. And I just say that in all seriousness. I really wish that I did not have to say it, but I had to say it because this is what we are dealing with in today's society.

And quite like the other point that I just made, Mr. Speaker, sir, there has been quite a bit of debate about fiscal policy and the fiscal problems and government expenditure and taxation and so forth and so on. And we have gone through a lot of this, Mr. Speaker, sir, but I feel it necessary to make a couple of points because I think the record - certainly here for the House - must be corrected, or certainly stated, sir.

At the end of 2013, the total revenue collected by the Government of Barbados was \$2.22 billion - roughly \$220 million - or 25.9 per cent of GDP, compared to \$2.471 billion or 26 per cent of GDP collected at the end of 2007. At the end of 2013, tax revenues collected by the government were \$251 million less than when we came into office in 2008. And an honest analysis of tax revenues will show that as Barbados felt the full brunt of the economic recession in 2008 and towards 2009 and 2010, tax revenues declined by \$317 million. The major areas of decline were VAT and corporation taxes - those two in particular. By the end of the 2009 financial year, revenues from the VAT were \$86 million less than when we came into office. With adjustments we made in terms of the rate of VAT, revenues were restored and at the end of 2013 revenues were \$73 million higher than when we came into office.

The main problem area, sir, is that of corporation tax - and I believe I said this last year - which at the end of 2013 yielded \$339 million less than when we came into office, a decline of 76 per cent. This decline in the yield from corporation taxes was not primarily driven by any over-taxation or suppression of domestic demand as some people will point, but by declines in tax revenue from the international business sector due to external factors. A

number of companies in the sector declared losses in 2008, 2009 and 2010 respectively due to the global economic recession. And even when they returned to profitability a year later, the tax loss carried forward significantly reduced their tax liabilities to Barbados. Further, due to changes in the Canadian laws in 2011 and 2012, the government was forced to adjust the tax rates on these companies by half so as to prevent a potential collapse in that sector.

So the cold hard facts are that Barbadians today are really paying less in income tax. When we came into office, the 2007 yield from personal income tax was \$334 million; today it is \$331 million. This is largely due to the fact that this administration increased the personal income tax bands in the 2012 budget. There has been no tax grab on the pockets of Barbadians. Faced with a dramatic decline in VAT and corporation tax revenues, as I outlined, due primarily to the external shocks, this administration increased taxes in areas that would help offset those declines. We chose to increase the rate of VAT, introduce targeted taxes on banks and credit unions, introduce the solid waste tax and the consolidation tax, and to ask those who benefit directly to contribute a little to their own education. When a serious threat, sir, is made to our foreign exchange rate, we have to respond. And as a country and as a government, we did respond.

On the expenditure side, at the end of the 2013 financial year, current expenditures stood at roughly \$3.1 billion or 36 per cent of GDP, compared to \$2.5 billion or 28 per cent of GDP in 2007. If one analyses public expenditure in Barbados from 2006 to 2013, the single largest increase in recurring expenditure happened in 2007 when recurrent expenditure increased by \$379 million or 18 per cent in that single year.

Where did the increases in current expenditure occur under this administration? At the end of the 2013 financial year, expenditures on wages and salaries were only \$65 million or 9 per cent higher than when we came into office. So therefore, Mr. Speaker, sir, you had a 9 per cent increase in wages and salaries over a six-year period compared to a 16 per cent increase in one year in 2007. At the end of 2013, expenditures on goods and services were a mere \$14.9 million or 6 per cent higher than when we came into office. So you had an increase of 6 per cent in expenditure on goods and services over a six-year period compared to a 37 per cent increase in the single year of 2007.

Increases in expenditure under this administration therefore have really been in two main areas: subsidies and transfers, and interest payments to service the debt. At the end of 2013, transfers and subsidies had increased by \$284 million or 35 per cent compared to when we came into office. The major increases occurred in 2008, 2009 and 2012. The increases in 2008 reflected a number of below-

the-line items that were brought onto the books, and further increases came mainly from increases in the subventions to the QEH - which of course when we came into office was getting roughly \$120 million, and we have increased that to \$180 million - UWI, which when we came into office I believe was getting \$120 million and we increased it at a peak in 2011–12 to \$155 million; the Sanitation Service Authority from \$30 million to \$62 million on account of the waste treatment facility; XBRC; the NHC - we increased the transfer to support the housing programme. And of course there was the pensions for the Defence Force which came on stream when we came into office.

We know the rising cost of health care - this is now a global phenomenon. We know the increase in the student enrolment at the UWI that started under the last administration and continued into ours and we had to finance that. We know that the inability to use Greenland and the imminent exhaustion of the Mangrove Cell 3 created a situation where there was an urgent need for solid waste management interventions and we had to do Cell 4. Many Barbadians are aware of the challenges which the NHC had when we came and inherited them in relation to providing low-income housing for Barbadians. So on all of these areas of expenditure - particularly in subsidies and transfers - these were specifically designed to address issues that we inherited, that pre-existed before we came into office, but to which we had as a government to resolve. And I believe we have done a good job of that.

So at the same time revenues were going down, the cost of providing quality levels - higher levels of access to social services for Barbadians - was actually going up. So as a government we sought to maintain the quality of those services and that caused the expenditure to grow. It is against this backdrop that the current fiscal adjustment programme was launched. The programme was extremely successful. During 2014–15 we achieved a primary surplus for the first time in a number of years. Our fiscal deficit was almost half - the primary surplus was more than half - that was even more significant. So we brought the deficit from 12 per cent down to 7.2 per cent. But the deficit, sir, I submit to you, is still a bit too large and therefore we have to ensure that we bring it down in an orderly, manageable and affordable fashion in terms of the wider society.

Growth alone will not do that job, but it will contribute significantly to it. The reform of the governance system in Barbados in relation to the public finances - in terms of statutory corporations, SOEs as we call them - the reform of key social services, a reform of our tax system and measures to ensure efficiency gains and benefits from better organisation of our public services is what will be required in 2015–2016. I am sure nonetheless, sir, that during the course of this debate, as we get into the individual heads, we will hear more about those efforts from the various ministers and ministries.

Indeed, sir, I make this point before I move into the 2015 layout: one of the very critical areas that will have to be addressed, not only in this debate but going forward as the public discourse has emerged, is how do we provide for the massive social cost which we have in providing the critical social services in education, healthcare and other social development in Barbados? This is a debate that has to be undertaken. The Government has some very specific ideas and we have some very specific initiatives which we will outline in the upcoming Financial Statement of Budgetary Proposals. And as we receive those ideas from all quarters of the country, including the opposition, hopefully we will fine-tune those policies and present them to the country.

That notwithstanding, and based on the Government's declared intention to continue to pursue, restructure, restore and resuscitate our economy, I now turn to laying out the key assumptions, projections and programmes for the financial year 2015–2016.

So just a word on the reporting methodology. From the financial year 2006–07, the estimates of revenue and expenditure were prepared on an accrual basis comprising both cash and non-cash transactions as the Government transitioned into accrual accounting. Previously, the Government of Barbados prepared the estimates of revenue and expenditure on a cash basis only, which measured monies paid out and the revenue actually received. Under the accrual basis of accounting, revenues are recorded when earned or when they become due, while expenditure is recorded when it is incurred. Under the accrual system of accounting, government reports its fiscal operations in terms of an operating statement. The operating statement is similar to a profit and loss statement and is calculated showing revenue minus expenses. It should be noted that expenses are the cost of carrying on the business and do not include capital outlays as part of the ongoing process. After seven years, from the financial year 2015–2016, the government's deficit - overall and recurrent - will be reported on an accrued basis. In other words, Mr. Speaker, sir, we are transitioning out of cash reporting. Cash accounts will still be maintained; the estimates show the Government's income statement for any given year, but the reported accounting and deficit will be done on an accrued basis to complete the transition process.

Mr. Speaker, sir, these 2015–16 estimates are set against an improving yet volatile international economic situation, compared to 18 months ago when the planning environment was a lot more unsettled. To some extent, Mr. Speaker, sir, there are predictions of positive growth for not only Barbados but a number of countries across the world, particularly our trading partners. According to the World Bank Global Economic Report, the world economy will continue its gradual recovery while inflation slows. Overall growth is estimated at 3.3 per cent in 2014 as a result of

gradually recovering labour markets, ebbing fiscal consolidation, lower financial costs and of course lower fuel and commodity prices. High-income countries experienced growth of 2.2 per cent while emerging markets projected growth of 4.8 per cent in 2014 and expectations of 5.4 per cent in 2015.

The recovery in the United States and the UK appeared robust but was delayed slightly in Europe - the Eurozone - and Japan. Growth in the United States was 2.8 per cent in 2014 and is expected to be 3.2 per cent in 2015, supported by accommodative monetary policies which boosted capital market valuations and eased fiscal consolidation. Improved labour markets were marked by robust job creation and moderate wage growth. While unemployment has fallen, there were declines in labour force participation due to demographic trends and earlier than usual retirement. Fiscal policy improvements in the housing market conditions and declining oil prices boosted real household incomes and maintained private consumption as a main source of growth. Inflation remained low due to low oil prices and a stronger US Dollar.

The United Kingdom also experienced growth and began to show momentum in a robust housing market. Of course, this will benefit us since the UK is our major source market for tourists and an expanding credit system helps as well. Growth in the United Kingdom was 2.9 per cent of GDP in 2014 and is expected to expand even further this financial year. Germany, out of the rest of Europe, grew by 1.5 per cent while the others would have contracted by an estimated 0.4 per cent in 2014. France and Greece in particular were particularly weak and there were some political uncertainties in those countries. Japan is expected to reach 1.2 per cent in 2015 after a relatively flat 2014, and of course China, which is slowing, is expected to record growth of about 7 per cent in the next calendar year.

The reduction, sir, in oil and commodity prices is proving to have a positive impact on our ability to manage through difficult times. But we have, of course, to be cautious. Our expectation is that the decline in oil prices will continue for a bit longer, though it is anticipated that prices will trend back up before the end of this calendar year. The recent 10 per cent decline in oil prices last week, sir, was reported by the head of the U.S. Energy Agency in basketball terms as a "head fake." And it is expected that those prices will in fact increase again going forward. In this regard, while there is a certain level of excitement among regional and international

planners and organizations, we have adopted a very cautious approach to this particular process. Surely we expect some residual benefit will come to the country, but the exact amount and for how long it will last are not empirical at this stage. We expect particularly that some

fiscal ease would come over the planning period from the latest drop in oil prices and the consistent reduction over a period of time. However, on the advice of the Division of Energy of the Ministry of Energy, we have factored in a 25 per cent reduction in the outlay for energy across the government's expenditure in this particular item in this year's expense estimates. Nonetheless, we have also factored in a 2 to 3 per cent decline in revenues from excises and VAT from the reduction in the price value for fuels imported into the country. So, Mr. Speaker, sir, there is a corresponding trade off. You get lower energy prices. We can make an adjustment in terms of the expenditure item. But of course the lower price means that the VAT and excise that you will get from will also commence will go down, not necessarily commensurately, but it certainly will drop some.

Beyond this, we expect that the domestic planning environment to remain tight and therefore existing cash flow challenges are likely to continue well into the next financial year as the flow through of actual cash resources remains anemic even as growth continues to improve. We expect the situation will likely improve by the third quarter of the next financial year. However, in the context of the fact that it continues to be a major challenge impacting the ability of government to meet timely commitments to service and good suppliers, government has been devising appropriate strategies to contain the problem and address existing buildup of arrears in the system.

Mr. Speaker, sir, the strategy has been along the following: 1. Properly determining the extent of arrears payable owed by the government to its partners in the private sector and individual Barbadians. By the latest figures at our disposal, we have set that figure at 250 million Barbados dollars. Categorizing these relative to what the bulk of the arrears are owed for and to whom. And in addition, we have a much better idea of how much of this is in central government and how much is in the statutory entities which receive transfers from the government; and 3. Devising an internal arrears liquidation plan based on the following: to ensure a) that at least no less than 80 per cent direct cash payments through payments from the treasury and for state owned entities who are in a position to do so through the incurrence of short term debt financing to allow them to proceed with the liquidation of those arrears; b) to devise payment plans in respect of any remaining amounts based on set offs against debts owed to the government, issuance of government paper where that is acceptable and allowed, and other measures that will be necessary to reduce those levels. These are expected to allow for an easing in the current situation as it relates to this category of liability within the Government.

Regarding the other major concern, Mr. Speaker, sir, that of VAT income tax and corporation tax returns, we are

currently putting the finishing touches on a plan to have more than 85 per cent of those income tax refunds - refunds, yes, income tax refunds for the income year 2013 - paid. There are currently around 47 000 such claims and we expect that by the end of June/July we should be able to satisfy more than 37 000 of these while the remainder will be done before, of course, September 2015. We equally expect that practically all of our corporation tax refunds should be completed by the same date.

Sir, the VAT returns issue is and will likely continue to be a little more challenging as it is not just an issue of the impact of cash flow, but also in the processing and administrative delays accompanying how those returns are done. We have already hinted that Government, as part of the tax reform process, intends to retire the VAT refund system entirely. However, that is still a few months away and greater detail on that part of the tax reform process will be spoken to in the upcoming financial statement and budgetary proposals. In the meantime, it is our intention to utilise the aforementioned approaches to speed up the payment of VAT returns to all businesses, but especially in particular small and medium sized businesses which have been severely affected by significant delays. To this extent, we are in discussions with a finance company - which we will not disclose the name of at this stage - which is looking at a possible factoring project to look at dealing with the significant backlog of submissions to the Barbados Revenue Authority which are currently stalled in the system. Our hope is that once these negotiations successfully conclude, several businesses should be able to get payments on existing submissions while government finances pay back the finance company at a pace more consistent with the cash flow. More details of that will come in the following weeks.

The other major issue that impacts the planning environment for the 2015 estimates is the notable increase in outlays for capital expenditure. A large part of this, sir, relates directly to the fact that in the second half of the year, government has been witnessing a significant turnaround in the flow in project financing, especially from regional and international financial institutions such as the Inter-American Development Bank and the Caribbean Development Bank. Indeed, sir, during 2014 - and I make this point because we have taken our fair share of criticism and I think in some respects justifiably so - in 2014, the government was able to draw down US\$32 million from the Inter-American Development Bank to support its various projects under contract. I am advised, Mr. Speaker, sir, that this is the highest level of drawdown by any government in any single year since Barbados has been dealing with the Inter-American Development Bank. This, of course, Mr. Speaker, sir, is a tribute to the very hard work of our ministers and ministries and public officers who have been putting together proposals to unlock these vital project funds. Not only does it create economic

activity in the country at a time when we need it, but it equally ensures that we get the capacity build-out in critical areas such as water, sanitation, food security, alternative energy and coastal protection.

This new success comes behind a deliberate policy in the Ministry of Finance through the Public Investment Unit to change the basis on which we contract project loans from international financial institutions. These new rules - the so-called Torrington Public Rules, Mr. Speaker, sir - and they are named after the former Permanent Secretary in the Investment Division who is now retired. And I want to say publicly, as Minister of Finance, my thanks to that public officer who gave yeoman service for many, many decades to the public service and from whom I learned quite a bit about the Ministry of Finance and the Government generally, and I am grateful to her for that.

The rules dictate, in part, that the government will not contract loans of any type unless no less than 80 per cent of the conditions precedent are met before we sign the dotted line. Because one of the challenges that we have been having, Mr. Speaker, sir, is that we sign contracts with a whole lot of conditions precedent. The clock starts ticking from the time the signature goes on and then we struggle to get those conditions precedent met. Monies cannot be disbursed, you have to get an extension. And it goes on and on. We have changed the entire process completely. It means that things like reports, administrative reports, audits, project units - all of those things have to be in place first before we sign the loan. So the so-called Torrington Public Rules, Mr. Speaker, sir - and I will show you the confidence which we have - that is what they call them in the IDB now. They call them the Torrington Public Rules. The Inter-American Development Bank has actually used, or is actually using, that approach in its projects among countries not just in the Caribbean, but beyond our region. And again, it shows that we in Barbados can be leaders in relation to these matters. This is now becoming the standard in the Inter-American Development Bank.

So it has meant that we have been able to unlock a number of projects and we have gone from a situation, Mr. Speaker, sir, where we were struggling to get disbursements, to the extent now that we are able to trigger the Advanced Disbursement Rule in the IDB and get money sent even in advance of what we have been doing. We had the very happy coincidence last year, Mr. Speaker, sir, of the Water Authority in particular in its main programme exceeding the amount that was provided for in the estimates in 2014-15 by as much as \$15 million. And those monies were advanced - and we are going to come here for the supplementary - those monies were in fact advanced on recommendation from the Water Authority, or at the request of the Water Authority, by the IDB because the project is way ahead of its schedule. So it now means, Mr. Speaker, sir, that once we sign a project loan, we know

the project can hit the ground running, as they would say in that often used cliché.

With this process now fully entrained, we are expecting an even larger increase in project spending from these sources in 2015–2016. And that is why you have seen so much of it reflected in an increase in capital expenditure to about \$245 million in the upcoming financial year. This is good, Mr. Speaker, because this is what we want to happen. We want capital projects to happen that build capacity. We want them to happen from international financial institutions because it brings foreign exchange into the country and helps the country, it creates employment. This is just a good thing to have happen. And I am pleased that we were able to move to this particular stage where the Ministry of Finance has to be telling ministries that we have to manage it because we do not want to explode our deficit. In fact, we will deal with that because we are going to the accrual basis anyhow. And most of those projects we will lodge on the assets on the construction account and capitalise those and of course depreciate them over the life of the project as the accrual basis of doing the accounting.

But the fact that we have departments like the Coastal Zone Unit, we have departments in the Water Authority coming and saying we are now on stream to be ahead of our implementation schedule, we can do an even larger body of work in a financial year, we want more money to get on with the job - is really a marvellous thing to have happen to Barbados at this particular time. So consequently, apart from the outlays for debt service, which is one of the fastest growing categories of expenditure in terms of contributor to the recurrent deficit, it is the capital that we are seeing grow and we are happy for this.

Finally, sir, on this point of the operating context within which the estimates have been developed, it is a reality that we need to do further work to lock in institutional reforms within the wider public service, including in the state owned entities. As members will be well aware, one of the important aspects of Government's efforts for fiscal prudence and consolidation is in building the welfare benefits to be accrued from improved efficiencies across the public services. This process was started in earnest in 2006 following the initiation of institutional upgrades across a number of areas within the central public service. Under the last administration in 2013 it was expanded to include state owned entities or statutory corporations, as we familiarly call them today. This administration has pursued the establishment of the Financial Services Commission, the Barbados Revenue Authority and the restructuring of the Urban Development Commission and the Barbados Tourism Authority into the new Barbados Tourism Marketing Inc. and the Barbados Tourism Product Development Inc. Mr. Speaker, sir, that is

a massive body of work that we have done in reforming government.

We have fully advanced the reform of the public accounting process, as you know, moving from cash to accrual. And we are going full accrual from 2015. I know the member for St. Peter was complaining a few years ago that we needed to speed that process up and get on with completing the project. And we are happy that we have been able to get to that stage. We have also worked to advance reform in several areas of business regulation and facilitation in the services in the international business and financial services sector. Only last week, Mr. Speaker, sir, we dealt with the Corporate Service Providers Bill which was led by the Honourable Minister for International Business. In addition to a number of pieces of legislation that we have done in terms of improving the product, we also instituted the competitiveness programme which has seen reforms at Customs with the introduction of the ASYCUDA World system. And of course we are moving towards the electronic single window at Customs. We have done improvements at the Immigration Department to cut down the amount of time that applications stay in there. The Immigration Department has also benefited with a speeding up of how we handle applications in that division. And of course, Mr. Speaker, sir, we have tried across the system to improve our levels of efficiency.

This coming financial year we expect to push forward with this reform agenda in many other areas. We expect that during 2015–2016 - and you will see this in the estimates, Mr. Speaker, sir - that the new National Procurement Authority will be established following the expected passage later this year of the new Procurement Act in Barbados in the next few months. This we are expecting will bring major savings in government expenditure on goods and services going forward simply by making the system more standards driven, predictable, transparent and value driven.

Additionally, we expect that in the second and third phases the build-out of the Barbados Revenue Authority process will be completed with the integration of the revenue functions of Customs and Excise into the BRA and establishment of a fully integrated tax collection ICT platform for all of the taxes administered by the Barbados Revenue Authority. This is equally expected to increase the BRA's operational effectiveness and lead to a reform of better taxation administration, assessment and collection, thereby bringing higher levels of revenue to the Government. As members will see, provided in the estimates, I believe \$18 million to deal with the integration of Customs into the BRA from mid-year going forward.

But over and above these ongoing efforts will be a special effort to forge ahead with the reform of state owned enterprises initiative which I first alerted the House to last

year as being contemplated by the Government and for which the Cabinet made definitive decisions last December. I believe that I gave the country a general outline of those decisions in my last Ministerial statement and so will not go over it here today. What I will say however is that our expectation and intention is to initiate and execute this process this calendar year or this financial year certainly. And so discussions on the shape, form and process of implementation will start in a few months time with all critical stakeholders including the workers' representatives.

This reform work we expect to dovetail neatly with the current process of financial and operational restructuring which is currently ongoing with selected statutory entities through the work of CARTAC, the IMF technical body here, the Oversight Committee which is chaired by Dr. Justin Robinson, the Dean of the Faculty of Social Sciences, which I appointed six months ago to oversee the work in terms of the finances of these state owned enterprises, and of course with a much improved and better staffed Management Accounting Unit of the Ministry of Finance and Economic Affairs.

Finally in this regard, sir, as everyone is by now aware, it is the government's intention to move ahead in the next financial year with several reforms to our overall tax policy in Barbados. This will be based not only on the recommendations coming out of the IMF tax reform study, but also on the submission of several critical players and stakeholders from across sections and sectors in Barbados. Of course, we are all still hoping to receive the input of the official opposition who we wrote to some months ago seeking their response, but are yet to receive a reply. We trust that will come before the financial statement and budgetary proposals. Nonetheless, it is our intention to move forward with this very important piece of work, which we expect will not only give a much needed boost to central government's tax revenues, but also lower the burden of taxation on many critical sectors, contributing eventually to higher levels of transparency, certainty and fairness in our tax code. I will have more to say on this in a few weeks time when we present the financial statement and budgetary proposals.

All of these initiatives, plus others that I have outlined, when taken together with greater efforts at discipline - discipline of expenditure in currents - we confidently expect will contribute to an operating environment going forward that will have a net positive impact on our efforts to push the macro fiscal consolidation effort deeper into the structural reform of our economy. It is therefore our firm belief that by the close of the next financial year, we will be able to bring our operating deficit, fiscal deficit as set out in these estimates, at 6 per cent of GDP on an accrued basis to below 5 per cent. That is our expectation. So we are hoping, even though we have

settled here for 6 per cent, we are hoping with all of these changes, when these are fully accounted for and in place, that we should get below 5 per cent. Of course, with some luck in the continued economic growth of our economy.

Against this backdrop, Mr. Speaker, sir, I therefore move to lay out the 2015–2016 Revenue and Expenditure programme for the Government of Barbados. The fiscal framework has been formulated to attain the following: to reduce the level of tax arrears outstanding by major revenue agencies and enhance collections; to continue our efforts at fiscal consolidation, which will involve reducing discretionary expenditure in order to attain and maintain a net operating balance and put the debt to GDP ratio on a downward trajectory; to link strategically the public investment programme and the government's current spending needs with the availability of revenue and the achievement of the fiscal objectives; to continue to improve measures to reduce costs and enhance revenues, which will include: a) use of alternative measures, for example joint public-private sector partnerships (PPPs) and alternative sources of financing - low cost financing to support public sector investment initiatives where government will realise savings and earn additional revenues to support projects during the execution and after completion; and b) to encourage state owned enterprises to implement measures to enhance their revenue generation and expenditure reduction efforts so as to better match revenue with expenditure; and 5. Developing and implementing strategies to deal with the arrears - which of course, Mr. Speaker, sir, I have spoken to - particularly those of the statutory entities.

So that the fiscal programme for 2015–2016 is projected to generate a negative balance of \$535.3 million on an accrual basis or a deficit of 6 per cent of GDP at nominal GDP at market prices set at \$8 852 000 000. Current revenue is projected to increase by \$105 000 000 or 4.3 per cent over the revised 2014–2015 level of \$2 539.2 million. Taxes on incomes and profits are projected at \$760 million on an accrual basis. When bad debts are taken into account, the amount to be collected on a cash basis is expected to be \$761.3 million, an increase of \$43.6 million or 6.1 per cent above the amount projected to be collected in 2014–2015. Income tax is expected to increase by \$38.4 million or 8.8 per cent to \$475.5 million. Corporation tax is projected to increase by \$5.5 million or 3.1 per cent to \$184 million Barbados dollars. The consolidation tax is expected to yield \$30.2 million. Taxes on properties are expected to realise \$134.6 million, an amount of \$3.8 million more than what we project for 2014–2015 on an accrual basis.

Taxes on goods and services are projected at \$1 224.9 million on an accrual basis. Taxes to be collected on goods and services during the year are expected to increase by \$34.1 million or 2 per cent to \$1 215.5 million. This tax

category receives its principal inputs from receipts of the VAT and excise duties, which are expected to contribute \$944.2 million and \$132.6 million respectively to the treasury this fiscal year. Additionally, an amount of \$818.7 million is expected to be received from the tax on bank assets, while \$6.4 million is expected to be received for the tax on other financial institutions. Import duties are projected at \$211.6 million, increasing by \$2.2 million over the projected amount for 2014–2015, and special receipts are expected to increase by \$3.66 million to reach \$95.5 million Barbados dollars. Non-tax revenue is expected to increase by \$3.7 million over the revised amount for 2014–2015. The government is expecting grant income to be received from the European Development Fund and USAID for \$34.8 million and \$3.2 million respectively.

In terms of current expenditure, current expenditure on an accrual basis exclusive of amortisation of \$837.7 million is projected to be \$3 090.8 million. When converted to a cash basis - bad debts and depreciation expenses excluded - that is of course on the Accountant General's basis. Current expenditure is expected to increase by \$72.3 million or 2.4 per cent over the 2014–15 revised figure of \$3 027.3 million Barbados dollars. Wages and salaries are expected to increase from the revised amount for 2014–15 by \$20.2 million to \$263.3 million, and of course this is on account of the payment of increments which are legally due to public servants. Every year expenditure on goods and services is expected to increase by \$58.2 million from the revised figure for 2014–15 to \$446.5 million due in part to counterpart funding for a number of foreign funded projects. Increases included would be for the following projects: the Barbados Competitiveness Programme with the IDB - \$3.8 million; Road and Bridge Improvement Project, CDB funded - \$4.8 million; Coastal Risk Assessment Programme, IDB funded - \$3 million; Stormwater Management Plan, USAID - \$4 million; Skills for the Future, IDB funded - \$11.3 million; and the Smart Energy Fund, IDB funded - \$2.2 million.

Current transfers are projected to decrease from the revised amount of 2014–15 by \$39.8 million or 3.6 per cent to \$1 054.4 million. It should be noted that the Ministry of Finance and Economic Affairs anticipates that during 2015–2016 it will have to provide supplementaries to the University of the West Indies, the Queen Elizabeth Hospital and of course the Transport Board to cover for their operational expenses. Bad debt and depreciation expense are projected to be \$8.8 million and \$54 million respectively. Non-capital assets consisting of repayment of loans to government are projected at \$0.7 million, the same amount as approved for the previous year.

Interest payments are expected to increase over 2014–15 revised figure by \$28.1 million, or 4.2 per cent to \$698.3 million, while amortization of \$985.7 million is projected to increase by \$174.9 million or 221.6 per cent

over the amount allocated for this current financial year. It means that, Mr. Speaker, sir, as you will see, that our interest, our debt service costs will be increasing by \$200 million, which means that we have to continue to do our fiscal consolidation to get that deficit down and of course ease off the gas throttle in terms of this contributing to that increased debt.

Capital expenditure is projected to increase from the amount approved in 2014–15 by \$67.9 million, or 20.3 per cent to \$401 million on an accrual basis. Capital assets are projected to increase over the revised period by \$37.5 million to \$101.5 million. This amount is expected to be \$12.9 million less than the amount in 2014–15. Capital transfers are projected to be \$133.2 million, or \$29 million more than the revised figure for 2014–15, and this of course is contributed to in part because of an increased amount of funding for the Barbados Water Authority's capital works projects.

So that the fiscal balance should look as follows. Current revenue: \$2 539.2 million, of which \$2 403.5 million is tax revenue and \$135.6 million is non-tax revenue and grant income. Total expenditure of \$2 258.9 million consists of current expenditure of \$2 013 million and capital expenditure of \$245.8 million on an accrual basis. Therefore, Mr. Speaker, sir, the negative net operating balance is \$535.3 million or 6 per cent of GDP at nominal market prices.

Mr. Speaker, sir, you will notice in your estimates under the financing column and the deficit financing, which I will speak to just a little while. You will notice, Mr. Speaker, sir, that there is a table - Table 8. You will notice a category which says other project non-projects under foreign financing. This will be at page 8 - \$170 million. There is an adjustment that has to be made to that figure. That figure actually includes the expected returns from the sale of the Barbados National Terminal Company, which is in the concluding stages. But we did not include it in this year's returns for special receipts because we do not think they are going to be able to complete by the 31st. So it will be pushed into the next financial year. So that should really come out of there and go into the revenue.

If that is done, it means that when this document comes back to be approved by Parliament, it is entirely likely that the fiscal deficit on an accrued basis of 6 per cent will decline by at least 0.8 of a percentage point, which will bring it somewhere closer to 5.2 per cent of GDP. So just making that notation there. But when we come back for the approved estimates, those matters will be cleaned up and therefore we would really be well on our way with additional effort coming out of the budget to bring our deficit down below that 5 per cent mark as I indicated, basically in two years.

So in 2015–2016 it is expected that \$1 293 million, or 75.2 per cent of the fiscal deficit on the Accountant General's basis, will be financed by domestic sources. The balance, \$426.7 million, will be foreign financing in the form of capital project inflows and policy-based loans from institutions such as the IDB, CDB, the CAF and others.

So that the major activities for which you will see highlighted for 2015–2016: we are giving a current subvention of \$150 million to the Queen Elizabeth Hospital; \$87 million and \$9.1 million for the two agencies that have now come out of the old BTA - BTMI and the Barbados Product Authority. Invest Barbados of course will get \$10.5 million to carry out its operations. BTI will be given \$8.5 million. Grant funding of \$38 million is expected to be received for budgetary support to carry out the following programmes: the Human Resource Development Strategy and the skills development. And of course last Friday, Mr. Speaker, sir, you would have seen at a press conference where the Ambassador for the European Commission would have announced that Barbados will be getting the next tranche in a couple of days' time, having expressed satisfaction both with the macro efforts at macro stability in the Barbados economy, but equally as well on the markers of achievement for that particular programme.

The Storm Water Management Plan which the Division of Energy, the Ministry of Energy and the Environment have signed with USAID - it is a counterpart funding programme: \$4 million from the Government of Barbados, \$4 million from the United States Government - and that is a grant. A subvention of \$26.6 million for the Barbados Sanitation Service Authority. Of course, Mr. Speaker, sir, I should add that from this financial year the payment which you see to the SSA in the estimates will reduce. But that does not mean that it is getting less money. What it means is that the part that would have gone to pay for the Sustainable Recyclable Centre is now being treated as a good and service. So it will be counted on the goods and services rather than on the transfers to statutory entity. So the amount is still in there, but it is now captured on the goods and services where it really properly should be.

And on the same ministry, we also have \$12 million for the Barbados Drug Service, \$71.3 million for the University of the West Indies. But of course, as I said, we will come back for supplementary to top that up. We have \$19 million for the Welfare Department. The Skills to the Future programme under the Ministry of Education, Science, Technology and Innovation has been provided with \$15.5 million, and this is a fairly substantial amount to help build skills for those young people. The low-income housing project for the Ministry of Housing, Lands and Rural Development: \$4.5 million. We have set out \$8 million under the IDB programme - access to credit for small and medium-sized businesses - which of course I expect to sign in a couple of weeks' time with the President

of the Inter-American Development Bank. We have put \$5 million in there for the development of Sam Lord's Castle. This is the proprietary work, of course.

Mr. Speaker, sir, in the same table that I was referring to at page 8, you will see on the other project financing where the money is expected to come in for Sam Lord's Castle this year. I believe they are projecting, once those loans have been signed, that \$100 million of the amount will be transferred to Barbados from the Government of China for the construction of that particular hotel. But insofar as proprietary work has to be done on the property and the project - we expect to start in September or October - we have put in this nominal amount to be able to get things going for the proprietary work that will be necessary. That is \$17.4 million and \$63 million to bring to account projects for the Barbados Water Authority which are funded by the IDB, and I spoke about those. And of course the \$63 million for the Canadian Commercial Corporation under the Smart Meters Project, \$5.5 million to complete the Lodge School, and of course \$5 million residual has been put in for the completion of the St. John Polyclinic.

So if I may conclude, Mr. Speaker, sir, right on time. If I may conclude my remarks, Mr. Speaker, sir. In moving this second reading of the Appropriation Bill, from the foregoing it would only be the most closeted and biased anti-government critic to deny that this past year the Government has stabilised the economy of Barbados, as evidenced by the settling down of the foreign exchange market, the significant reduction of our fiscal deficit and the initiation of a new period of growth in Barbados' economy. Sir, the macro signs of a turnaround are there for all to see and are evidenced by the now repeated public observations of genuinely independent operators in the Barbados economy - no matter, Mr. Speaker, sir, how much some of them are threatened, harassed and confused for speaking positively about the Barbados economy. And we know that some of them are.

We are here today, Mr. Speaker, sir, a far cry from where we were a year ago this time. But based on the trends that are clearly emerging, we will be a far cry next year from where we are today. Our economic fortunes are finally beginning to change for the positive, behind an appropriately designed, efficiently implemented and adequate policy response from the Government of Barbados. Many, counting on this administration's fall - in fact, the day after the elections they predicted that we would not last a year. They predicted for us to fail. Indeed, many still are predicting the decimation of Barbados and its Government. Indeed, sir, they are counting on and predicting the demise of Team Barbados. But sir, those who counted on that have counted wrong. Barbados is going nowhere but up and on. Up and on. To use a now popular phrase - and I say that for the Minister of

Education - up and on, a phrase that is used across Barbados.

But if I may speak more intimately with what I am infinitely familiar: because we are working together as a team in this Government to promote all aspects of our growth as a nation and a people, we are confident in the victory of positivity over negativity, of industry over recalcitrance, and of good over evil. Mr. Speaker, sir, Team Barbados, Team Unity, Mr. Speaker, sir, is working together. We do not need, Mr. Speaker, sir, a poll covered in chocolate or fudge issued on the eve of an Estimates Debate to give us any boost of energy or to try to convince those in our own party who do not support us that something and somebody is going overwhelmingly with us. We know what the mission is, Mr. Speaker, sir. We know it is not yet over and we know where we have to go. But with faith in God, confidence in our own abilities as a country and the will to achieve our goals and objectives, we will surely rebuild, restructure and reposition Barbados on its march to be a socially balanced, environmentally sound and economically viable country, characterised by the best possible governance. And with those few words, Mr. Speaker, sir, I beg to move, direct the seconder and reserve the right to speak.

Hon. J. D. E. BOYCE: Sir, I beg to second and reserve my right to speak.

Mr. SPEAKER: Honourable Member - sorry, yes, go ahead.

SUSPENSION

Hon. J. D. E. BOYCE: You all go up because you rush. Mr. Speaker, I beg to move that the sitting be suspended for lunch until 2.15 this afternoon.

AN HON. MEMBER: 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: Members, this sitting is resumed. When the suspension was taken, we were - on what order was that, Mr. Clerk? Order Number 17. With that we should continue.

Madam DEPUTY SPEAKER took the Chair.

Hon. Miss M. A. MOTTLEY: Thank you, Madam Deputy Speaker. I rise in this debate on the laying of the annual estimates of revenue and expenditure in this year.

Listening yet again to the Hon. Minister of Finance who has come to predict that things are better and will continue to get better than they were in the last year. But I am forced, Madam Deputy Speaker, to speak in the estimates of 2015 according to the dictates of the Honourable Minister of Finance, not in a vacuum, but by reason of the fact that this was the month to which the 19-month adjustment period announced in the budget of August 2013 was to have finished.

Indeed, if I may quote from the budget of 2013 at page 55 of the budget. The Honourable Minister of Finance came to this Parliament and he indicated that he needed to be able to make an urgent adjustment to Government's fiscal position. Having said that there was a major decline in reserves and having set before us the prospect of a deficit of 9 per cent which we needed to avoid at all costs, he indicated that there was a need for an early front-loaded adjustment over a 19-month period to cut the deficit to a target that falls below 3 per cent of GDP by 2014-2015; indeed the figure quoted was 2.8 per cent. So this 19-month adjustment was to bring us to the point today where we had a deficit of 2.8 per cent. Or to be precise, according to Appendix 1 of his speech, a \$237 million deficit, and to allow us to stem the decline in reserves through our ability to bolster them by the earning of reserves and to return this economy to a growth path, as he said then.

And it is therefore against that background, Madam Deputy Speaker, that these estimates have first to be assessed. Because to reach the target, the Minister of Finance announced measures that were so heinous in nature that they have caused serious suffering across this entire country, in households and across the landscape of businesses. Indeed, these measures announced in the budget were not sufficient. And on December 13, 2013, the Minister came to this House and announced that in addition to these measures, there would be a layoff of 3 000 persons from the public service of Barbados.

That was to be in addition to the removal of the reverse tax credit, a payment that went to persons earning \$18 000 and less in order for them to meet the difficult conditions, particularly those in the public service. Given the absence of a pay increase in this country since 2010, that was to be in addition to the consolidation tax and the solid waste tax and to the bank asset tax. And in March last year he added to that a tax on non-bank financial institutions, namely the credit unions. That was to be in addition to a massive cut in transfers and subsidies - from the Transport Board to the Sanitation Services Authority to the Queen Elizabeth Hospital to the University of the West Indies. That was to be in addition to the charging of tuition fees at the University of the West Indies.

To put it in simple and plain language, Madam Deputy Speaker, the Minister of Finance came to this

country within less than six months after going to the elections. Within less than six months of telling this country that we were in reasonable shape, that there would be no layoffs as announced by the Prime Minister. That there would be no sell-off of assets, that there would be no tuition fees as announced at the Barbados Community College graduation by the Prime Minister. Yes, within less than six months this country was told: look, we are in trouble. I want you to hold strain. I want you to recognise that some of you are going to have to make serious sacrifices. 3 000 of you will have to go home. You will have to start to pay tuition fees at UWI. You are going to have to consider the prospect of fees even in the health services on top of what we did with the drug service and pharmaceuticals. I can't pay you the reverse tax credit. Those of you who are working - each of you has to dig into your pocket and pay a stabilisation tax. And those of you who own property, dig further into your pocket and pay the solid waste tax.

And as is our wont as a people, Barbadians recognised that we were in deep difficulty because they had been feeling it for a number of years before the Government had the courage to admit it - only after an election. Barbadians recognised because they felt it. By that time we had seen the loss of 16 000 jobs in the private sector. By that time we were already into five straight years of a current account fiscal deficit. In other words, that we were spending more money on a monthly basis than the country was earning. The unions, to the regret of some, didn't give the Government any major trouble. The Government had a free runway from which to take off on this 19-month adjustment programme. And took off they did. Took off they did.

Barbadians came to the point of understanding that even though we don't like it and even though we have to take and bear sacrifice, we will do it if it means that it will stabilise our fortunes as a country. Even the Opposition - we said on that occasion, a lot of the measures we didn't agree with, but that we would wait and see. And that was the phrase I used: we would wait and see, Madam Deputy Speaker. And we waited and we have now seen.

The Minister spoke today as if his measures have been a success. Well, he is entitled to look through rose-tinted glasses, but we have to deal with the reality of what he has said, what he has presented, and what the people and businesses of this country are facing today. And what are those facts, Madam Deputy Speaker? Where are the reserves? According to the Central Bank, the reserves at the end of December 2013, at the time of the budget, were about \$1.15 billion. And in spite of borrowing \$450 million to prop up the reserves in the last 19 months, the reserves as we speak today - last week - are \$100 million less than they were when this 19-month adjustment strategy started. So you borrowed \$450 million and you are still down

another \$100 million, meaning that without the borrowing, you would have been reporting to this House today that you are less than \$600 million in reserves. But the programme has stabilised - \$100 million less than when the 13 August 19-month programme was announced in 2013.

You said that you wanted a deficit that at the end of the 19 months would be \$237 million, that would be 2.8 per cent of GDP. I am not going to get into the numbers today because the numbers keep moving like a rolling target, almost like if you are shooting clay pigeons. Because the Minister speaks of a 7.2 per cent deficit. The estimates speak of an 8.1 per cent deficit. And whether it is 7.2 or 8.1 per cent, the one sure thing is that it is more than 2.8 per cent, and that therefore by all measurements you have now recorded a deficit that is more than twice as bad as you set out to achieve. When you announced the 19-month strategy - today, according to you - this is a gentleman who set the game, set the rules of the game, set the time of the game, set everything. And now that the game is over, now that the 19-month adjustment strategy is over, he wants to declare victory when he has lost by every measurement that he set on his own.

\$1.5 billion is the deficit. Take out the amortisation of \$810 million, you are left with roughly \$690 million. But you told us that you were going to have a deficit of \$237 million. Now, what do these numbers mean to ordinary people? And this is without taking into account how much you owe everybody across the country and internationally - that by your own measurements you have failed and that the mission is out of control. The Minister told us that it was not a mission impossible, that it was a mission that he could achieve if Barbadians bore the brunt of the pressure. And this is not an academic exercise. There are people who have gone home - 3 000. They are not getting unemployment benefit anymore. That stopped six and eight months ago, depending on when you were sent home in a cycle. Some of them have not even received severance as we speak today. And what have Barbadians borne that sacrifice for? Only to find out today, at the end of the 19 months, that your reserves are still \$100 million worse than they were when you started - in spite of the fact that you borrowed \$450 million - and that your deficit is twice as bad as when you set out on this journey.

But it doesn't stop there - we continue to rack up debt upon debt. The Minister admits today to debt over \$11 billion. And what are the facts, Madam Deputy Speaker? This Government came in and found debt at \$5.6 billion. Between central government, public sector debt and NIS debt, they have increased debt by over \$6 billion - almost \$6.5 billion - in the course of seven years. And let me put it in ordinary language: this Government has borrowed the equivalent of \$15 million a week, every week, for the last seven years and has nothing - nothing, nothing - to show for it. \$15 million a week. That is what \$6.5 billion means.

When we raised debt in the Barbados Labour Party between 1994 and 2007 by \$2.8 billion, you got all kinds of improvements - a Hilton hotel, expansions at the port and refurbishments there, the airport, schools built, all kinds of things to show. And if we were to take their numbers - with a Sam Lord's hotel - with that kind of debt, for 25 per cent of that debt, this Government should have been showing us at least five 300-room hotels for a quarter of the debt that it has racked up in the last seven years. But instead all it can show us is liability to pay.

And where do we end up? The biggest issue in these estimates. And that is why I have to ask throughout this speech today: what is the point of this exercise? Madam Deputy Speaker, what is the point? We come in here year by year and we set targets. The targets are moved not only yearly, but quarterly. We come in here and we ignore the fact that all we are doing is putting the Government deeper and deeper into a debt crisis. The biggest growth in Government's expenditure, Madam Deputy Speaker, in the course of this Government's life has been interest. Interest payments. Interest payments, Madam Deputy Speaker, have moved from \$362 million when we left office to the whopping figure of \$698.3 million - almost \$700 million.

And I am not going to be drawn into these things other than to make this point: that in the whole speech of the Minister this morning, he tells you - yes, he wants to restructure enterprises. Good. We are still waiting on it. And he promised it 19 months ago that it would have been done. He tells you that he has cut some expenditure. Yes, he has. But compared to what he said he would and compared to what we needed to stabilise our situation, he is nowhere near the targets that he has set. He said even in November last year, at a press conference - because of the Governor's report and the Governor's failure to talk to the press, the Minister had a press conference and told the country that we needed to close the gap by \$175 million. And today can only report that he has closed that gap by \$30 million - a failure even by the target he set as recently as November of last year, less than four months ago.

But what is it you have? Interest and debt servicing generally - interest and amortisation - at the whopping level of \$1.6 billion roughly. You are earning total revenue of \$2.5 billion. According to your projections, your revenue next year will be \$2.539 billion. Now, even if you assume that the amortisation will be rolled over, let us look at the optics of it first. That is 70 cents in every dollar of revenue going to interest and amortisation. Take out the amortisation, you are left with 30 cents in every dollar of revenue earned by Barbados to go to pay interest. We left it at 13 cents. 13 cents was the cost of interest in every dollar when the Barbados Labour Party left office.

And what do we have in order to be able to create the optics of success rather than the reality of a mission out

of control? Then the Minister tells us he now has a primary surplus. Well, let me deal with that in one minute. Trying to change the debate to new rules such that he can look successful is a form of economic sophistry in circumstances where to exclude the payment of interest from what Government is due to pay is, in fact, Madam Deputy Speaker, to live in a false world. And what is the false world? Every Barbadian knows, Madam Deputy Speaker, that they cannot tell the bank not to pay any interest. If you don't pay the interest, the bank is going to take up your house, the bank is going to take up your car, the bank is going to take up whatever assets you used as security. And therefore, interest is critical because it is a liability of the Government that cannot be ignored. But we would want to come in here and to use international academic measurements that bear no relationship to the reality of what he, as Minister of Finance, must sign off on.

If the Government of Barbados, Madam Deputy Speaker, can move to a situation where, in these estimates of expenditure and revenue, it can ignore the liability for interest - which has now grown to almost \$700 million, almost twice what it costs us to support the health sector - then we are living in a false world. And this is an exercise that will only fool those who want to feel good. I say to you, Madam Deputy Speaker, that the people of Barbados know better because they feel it every day. And they feel the reality of Government's inability to honour its payments, particularly for contracts and goods and services in this country. It is true that there might be a very, very few who get their bills paid on time, but the majority of Barbadian businesses and the majority of Barbadian consumers - as we can see with the income tax returns and the corporation tax returns, the VAT refunds, refunds in every instance - are not getting their money. And they are not getting their money because the Government has no money. And the Government has no money because, whether it likes it or not and however much it wants to talk about primary surplus, it has a duty to pay the interest that it incurs, because if it doesn't pay the interest, it goes into debt default - no different from how you as a household or you as a business would do.

So, Madam Deputy Speaker, I want to put that squarely on the table because in all of the Minister's speech, he ignored stoutly any reference whatsoever to how truly we can resolve this major issue of continuing fiscal crisis. You cannot have a situation that is twice as bad as you predicted it would be 19 months ago, before you presided over absolute mayhem and suffering in this country, and tell us that we are on the road to recovery.

The University of the West Indies had a registration of students of almost 9 000. These figures don't come from me - these figures come from the Ministry of Education. And by the beginning of this semester it was struggling to have 5 000 students registered, a reduction of almost 4 000

Barbadian students. There are households in this country who do not know how they are going to eat day by day. There are families that are at the mercy of their neighbours or extended family or the church or the breakfast clubs or whoever else is charitable enough to make sure that they can at least eat food when the week comes. And we are here engaging in a debate trying to allow a government - having a government beat its chest and tell you that it has a primary surplus. The only thing that is primary about what it is doing is that it needs to go back to first base again and start again.

How does he try to excuse it? Oh, the biggest increase in current expenditure came under the Labour Party Government in 2007 when current expenditure increased by over \$350 million. He didn't tell you that revenue in that year increased by over \$220 million. He didn't tell you that 2007 was the year of World Cup, which would have had a lot of one-off expenditure. He didn't tell you - and this is the key point - that in the next fiscal year when they were the Government, expenditure increased by almost \$300 million and that revenue only increased by \$100 million. And that the first major current account deficit, the first major shortfall between what you are earning and what you are spending monthly, in fact came in 2008 when they were short by almost \$300 million, when they had no one-off World Cup expenditure. And then it moved from there - from \$300 million short - and continued to increase: \$200 million short, \$500 million short, then, Madam Deputy Speaker, \$650 million, then, Madam Deputy Speaker, the figure of almost \$850 million. And we are still \$690 million short in what we spend over what we are earning. That is the reality of our condition.

So why are we not hearing the Minister address the solutions that have been put on all sides of this Honourable Chamber? That the one major issue that has to be addressed to get Barbados out of this dire situation - the Government's dire fiscal situation - suggested by this side from a couple of years ago, suggested by the Member for St. Philip West, suggested by the Member for St. Peter, suggested by all sides. But yet we have almost three hours of debate today and no reference to the fundamental issue of debt refinancing. Everyone knows that the international community has a different perspective on debt refinancing today than it may have had in the past, when debt restructuring and refinancing was viewed as a form of default. Everyone knows it. And you have a situation where almost \$700 million is interest payments. Amortisation this year is almost a billion dollars - at \$985 million. You have already asked people to suck salt. You have taken away the dreams of people. There are people over the age of 50 who will never make back in their working life what they have lost in the last few years before they retire. And either because of the stubbornness or obstinacy of either the Governor of the Central Bank or

the Minister of Finance, we come in here to spin topping mud again, not achieving.

Do you understand that this Minister is \$340 million off target from what he said he would be? Ironically, we haven't even started to talk about how he is going to deal with CLICO, or how he can deal with the arrears, because the Minister tells us that the arrears - I believe the figure he used, Madam Deputy Speaker, was \$250 million. But how could we only owe \$250 million when you owe the National Insurance Scheme \$180 million alone - from the payment of contributions, from the reimbursement of non-contributory pensions that the Ministry of Finance would normally carry as a cost, from the payment of rental for the buildings that you are renting? \$180 million to NIS, \$40 million to the Williams Industries Group, \$150 million to the University of the West Indies, \$6 million to Trans Tech and all. And you have UK Alkia - get the \$18 million that is owed to them, not my figures. And I haven't even started to work hard, and those figures come to over \$480 million, yet the Minister is telling us that you only owe \$250 million. The Barbados Tourism Authority may not be functioning anymore, but in the name of this country it owes over \$30 million across the globe.

What is the point of this exercise if it is a fiction? An exercise in folly. An exercise in fiction. Another year again, only for the targets to be missed. Another year again, only to be able to call off a few projects and make it sound good. Another year again. I say, Madam Deputy Speaker, that this is an exercise in fiction. And for this side to agree that it is a valid exercise again would be to conspire with the Government to defraud the people of this country of their hopes and dreams.

And I have no intention of conspiring to defraud anyone, whether it is for CLICO or otherwise, or it is against the hopes and dreams of the people of this country. And you can believe that because you cannot tell us what is in these estimates. You tell us that you want to get a deficit of 8.3 per cent. But you know that you have put in here for the University of the West Indies \$71 million and \$3 million for fees. And even with university students paying fees, the Minister of Education knows that the minimum liability is probably about 20 million. You paid 45 million two years ago. You paid 20 million this last year. But yet in this year coming you're putting 3 million. You know that the university's economic cost is at least 100 million. And the minister admitted he has to come with a supplementary for them. Again, you know that the Queen Elizabeth Hospital - not my figures - the Queen Elizabeth Hospital documents show that you need \$180 million to function. We put in 150. By the time you add all of those things together, you are in a situation where you cannot maintain the mission of pursuing fiscal stability and succeed. And that is why I say to you, Madam Deputy Speaker, this is a mission out of control.

And what is the point of it? We come in here and know that the biggest item of expenditure, the one item of expenditure that has doubled under this government, the borrowing of more, the equivalent of more than \$15 million a week, has led interest almost doubling from 360 to 698 million and amortisation increasing to almost a billion dollars. Showing nothing for it, showing nothing built to be able to help repay the debt, under-providing for liabilities that you know you have, and then telling us you are moving to full accrual accounting. Well, if you are moving to full accrual accounting, then you should not be stating in these estimates \$71 million for the University of the West Indies, because you know your liability is higher and therefore we will be conspiring also, therefore in a breach of the very rules that you have set. You know your liability at the hospital is higher.

And what is the reality of the hospital situation? Madam Deputy Speaker, as recent as Friday, for the first time ever, four associations came together. Four associations. The Barbados Association of Medical Practitioners, the Junior Doctors Association, the Pharmaceutical Association, and the Physical Therapists Association. All four of them came together to say yet again that they could not guarantee the delivery of care at the hospital. That they wanted to express their grave concerns about the deterioration of the functional capacity of the Queen Elizabeth Hospital.

Madam Deputy Speaker, listen to what they have said. That at present, supply shortages in the Queen Elizabeth Hospital are at unprecedented levels now. Twice - twice last year in July, when we brought a matter of definite, urgent public importance and raised the issue of the condition at the hospital - the government promised that it would give them an immediate 2 million and then \$20 million would come within two weeks. They didn't get the sum promised. At the end of November, early December, the Junior Doctors and the Barbados Association of Medical Practitioners said simply, Madam Deputy Speaker, that they would not be in a position to do other than emergency cases. And they couldn't do anything other than emergency cases because critical supplies and critical pharmaceuticals were not available at the hospital.

The government rushed and promised that \$25 million would be paid. Indeed, four days before Independence Day at Elara Court, the Honourable Prime Minister, the Right Honourable Prime Minister, and the Honourable Minister of Finance, the Honourable Minister of Health, met with the pharmaceutical companies and they told the pharmaceutical companies that they would be paid for the money owed to them that was 90 days or over. And these companies stressed to the Government of Barbados that the hospital had owed some of them this money since 2012, for more than two years, and that they could no longer continue to supply in these circumstances. They met

with the Prime Minister, they met with the Minister of Finance, they met with the Minister of Health. And these companies, assuming that this word meant something, agreed that they would continue to supply to the hospital and that by the end of the year they would have the debts that were 90 days or over paid by these people.

Do you know, Madam Deputy Speaker, that the six companies had to write the hospital director again on the 13th of February of this year, and in their letter to point out that they had now been waiting - in spite of several efforts and additional requests - that they had now been waiting since that meeting in November to receive the monies that were promised by the Minister of Finance to them, and that as a result, with immediate effect from the 15th of March, which was yesterday, from the 15th of March, they would be putting a system in place where they would require what they called a 50-50 cash arrangement. Up until yesterday, they supplied the hospital whatever drugs or supplies they needed once cash was paid in spite of the old debt. As of yesterday, these people have put the government on notice that they need all of the cash for what you are currently ordering and an equivalent amount towards the old debt in order for you to be able to get supplies at the Queen Elizabeth Hospital in this country.

Now, you would understand why I say that what is the point of these estimates? And these estimates come in here and commit the government to almost \$30 million less than what the hospital genuinely needs. But it wasn't only the pharmaceutical companies making noise. The doctors wrote the hospital administration late last year, early this year, and asked for a meeting because they recognise that they are putting themselves at risk in terms of legal liability. Because if they know that there is a shortage and the quality of care cannot be delivered, that they are professionally at risk in terms of liability, and hence wanted a meeting with the hospital department and its lawyers and the insurance covers that the hospital has. This is what this government has reduced Barbados to.

And then you're going to tell us about growth. Growth where? If you are seeing growth, if you are seeing light at the end of a tunnel, coming through a crevice, I suppose, who are we to tell you what you are seeing? I hope it is not a case that your eyes have become accustomed to the dark. I really hope so. But we will give you the benefit of the doubt again. But what is the point when every year, what you promised the country, what you say to the country, you have to come in here and change it. And you try to claim success not on the basis of performance, but you claim success on the basis of changing the rules of the game and changing the targets.

Anybody can go and pick up the Governor's report for September 2014 and then December 2014 - it changes the rules of the game from the 19-month target set up by

the Minister at the beginning. So that I wouldn't be confusing the Barbadian public now, going into 8.1, 7.2, 6-point-this - all I know is that it doesn't start with number two. It is neither 237 million nor is it 2.8 per cent. And both of those were what the Minister stood in this House in a budget debate broadcast to the whole country and promised we would be achieving, ensuring that we could stabilise and see our reserves growing again. And the only reason the reserves are only \$100 million less is because you borrowed 450 million, and then you want to beat your chest and claim success as Bajans suffer, as Bajans can't buy food, as Bajans can't pay the light bills, as Bajans can't pay the water bills, as Bajan companies in the hundreds cannot meet payroll, easily sending home people, asking people to take pay cuts.

One businessman said to me on Friday, Madam Deputy Speaker - he is by no means what they would call a small businessman; their turnover is in the millions of dollars; he can't qualify under the Small Business Act for any benefits - but he said they are going to have to shut down because 60 or 70 per cent of their business depends on the Government of Barbados. And while the business is there, because of the inability to get paid promptly or even within reasonable time periods, they have now so racked up finance charges that the bank has said no more - you cannot help you anymore. And therefore they are going to have to walk away from the prospect of work because the Government of Barbados now has this reputation that it does not pay and cannot pay. I don't think it's fair. Don't believe it's fair. So you bring businesses to the point of tottering on insolvency. We know what you're doing to households. And where in these estimates is there any indication that there is likely to be a different trajectory, a different direction, to be able to stabilise the government's fiscal situation?

We have all said, Madam Deputy Speaker, that this is like a patient bleeding out. And whatever the underlying condition - the lack of performance of the productive sectors, the implosion of institutions in being able to deliver services to the people of this country - whatever the underlying condition, the bleeding must first stop. Having stopped the bleeding in one part of the body, the government is still presiding over bleeding in the rest of the body. And the body is bleeding out at almost the same rate it was when you first said you had a problem. Because that is what you told us in August 2013. So that this is untenable, Madam Deputy Speaker.

And I am not, on behalf of this side, going to seek to legitimise a process that carries Bajans on a frolic. Because what is promised in this book - regrettably, in spite of decades of the presumption of regularity, in spite of decades of the presumption of integrity for this process, in spite of decades of the Barbados government leading by example in the rest of the region and in the wider

Commonwealth for the integrity of its fiscal process - we have now been reduced to being the laughing stock because we are carrying people on a frolic. Yet, year by year, this government is surviving because of the credit of the private sector, because of the lendings of the National Insurance Scheme, and because of the printing of money by the Central Bank. That is the only reason this government is surviving.

And rather than confront the problems - all sides, you have heard me say - tell you, look, we know it is going to be rough. It's not going to change overnight. But if we want any real chance of success, let us deal with the real issues. And you come in here today and not a single word on how we can seek to get rid of the massive, monolithic problem of the cost of debt and the space that debt occupies in our estimates. This country cannot return to stability - far less growth in any serious way, far less serious recovery - if we don't deal with the debt problem and deficits. Debt is just accumulated deficits. So every year you run a deficit of 690 million, 500 million, 800 million, you are only adding to the debt problem. And what does the debt problem lead to? You have debt now over 11 billion. You owe the NIS almost 3 billion.

And don't tell me you can net out the NIS. Because the Government of Barbados does not own the National Insurance funds. They are owned by the people of Barbados. And the National Insurance Board is only the trustee - though that might not be a good word to use in today's atmosphere - it is only the trustee for the funds. It is only holding the funds on behalf of the people of Barbados. And if it is holding the funds on behalf of the people of Barbados, then it has a duty to make sure that they are not taken away. It is no different from a lawyer holding funds on behalf of a client. If a lawyer holds funds on behalf of a client, they have to return the funds to the client even if they are forced to do so by the law courts. So that \$3 billion we owe cannot be netted out as the Governor of the Central Bank wants to continue to do. Because we owe the money. And whether it is interest payments or whether it is money owed to the National Insurance Scheme, Madam Deputy Speaker, it has to be paid. And therefore it is an idle, esoteric, academic exercise to try to construct a debate as if you do not have to pay those liabilities. And I say that this side will not conspire in that exercise.

If we want seriously to confront the problem, let us start. I said in this chamber last week, Madam Deputy Speaker, that we need to set as a target the restoration of investment grade status for this country. And I didn't say so idly. We saw what can happen when you borrow money at concessional rates under that Water Authority project with the Canadian government, where the Government of Barbados is leveraging the triple-A rating of the Canadian government. We are being able to borrow money at 2 per cent - 155 basis points over US 6-month LIBOR - 2 per

cent money. And what does that mean? Let me break it down for you. 67 million US over nine years. When you borrow it at 2 per cent, you only pay 6 million US in interest. 6 million US dollars in interest. If we had to pay what we are paying as interest rates and everything else that we are borrowing medium term or long term, it would have meant another 30 million - 3 million US, 60 million Barbados dollars - over the next nine years.

I say to you, Madam Deputy Speaker, this country cannot be built out on 10 per cent and 12 per cent and 13 per cent money. And when a Prime Minister therefore can rubbish the credit ratings of an international credit rating agency as being no more than rubbish - and as he dismisses everything - everything is done at a cost to the taxpayers of Barbados. And the cost to the taxpayers of Barbados is that if we have to keep looking for more and more money to pay interest and to service debt, it is less and less money to do the things that we ought to be doing to build out our productive sectors and to support the social safety net that we have.

I could not believe it when I heard the Minister talk about one of the objectives of this 19-month strategy being to strengthen the safety net. That is what he said this morning. To strengthen the safety net for the more vulnerable in our society. And what do we have in these estimates? That welfare payments are down to 18 million from a height, three or four years ago, of 22 million. Almost a 20 per cent reduction at the very time when Bajans need it more. When their own documentation and briefs tell them that the Welfare Department is not only dealing with the unemployed but it is now dealing with a category of person called the working poor. People who have three days and four days and two days of work. People who cannot make ends meet. But this government cuts the welfare vote. The Poverty Eradication Unit knows that they need at least four and a half million dollars and the government gives them less than 2 million. But yet we want to beat our chest and tell you that this 19-month programme has been a success and that next year - here we go - continue to build on it.

How can you build on it when people are being thrown out? And what do you want them to carry to the supermarket when the goods are only counted by the cashier, I promise. And then when you do have a legitimate issue develop with the malfunctioning of the systems at the National Insurance Scheme for pension cheques - nobody can tell you that a machine can't break down or software doesn't work, that happens - but when it happens, and you know that people are already on the edge, a caring government calls in the Welfare Department and says, look, try and get some food vouchers or some kind of payment so that these people, especially non-contributory pensioners, can at least buy some food to eat. But you put people at the mercy of their neighbours, of their extended

family, of charity. And thank God Barbadians still have a good spirit in this country to carry those who are not as fortunate as they are. But the reality is that even with the good spirit, a lot of the people that are carrying the weight are the same people who have not received a salary increase in five years, are the same people that have to pay the consolidation tax, are the same people that have to pay the solid waste tax and the land tax, and therefore the disposable income is virtually down to next to nothing.

If we want to be serious about getting out of these problems, Madam Deputy Speaker, if we want to return this country to investment grade, if we want to deal with this fiscal crisis, there is nothing new that has to be said in this debate. The only thing new is the action required of the government. How can it be that -

That's the only thing that they've succeeded. In 2009, Central Bank lost 9.4 million. 2010, they had a small profit of 2.9. 2011 lost 1.9. 2012, Central Bank lost 2.6 million. 2013, Central Bank lost 3.6 million. And we should have, and hopefully will have the 2014 figures very soon. But we already know that the Governor is calling for recapitalisation of the Bank. And the Governor is using the Central Bank to artificially keep interest rates down in this country. Because you have the unbelievable situation of the Governor presiding over a Central Bank that holds \$610 million in treasury bills. Continue to buy the treasury bills apace. When he told the IMF in the Article 4 consultations a year and a half ago, November, December 2013, that the Central Bank would come out of the purchase of treasury bills to prop up this Government. Go and read the report. Do you understand that these are serious admissions from the document? These are not our language. This is not our language. These are not our rules. This is this Government's time catching up with it. But you know, my grandmother always told me and my father, you can hide and buy land, but you can't hide and work it. And time is now catching up.

And I feel that the Government, the Cabinet, has a responsibility to say to the Governor of the Central Bank, you are now a major liability to us. You are. The people of Barbados do not respect the fact that the Central Bank - look at this annual report for 2013, Madam Deputy Speaker. Page 7. It says, Integrity and Transparency. We acknowledge that our performance, success and reputation hinge on the highest standards of ethical behaviour. We therefore promise to provide open communication and to be consistent in our application of policies across the organisation. When I ask openly of the Governor of the Central Bank from the floor of this honourable chamber, the highest court of the land - can the Governor of the Central Bank tell us whether the Central Bank accepted a deposit from the former President of CLICO to the tune of \$5 million or not? Does it have a private deposit contrary to the Central Bank Act, which allows the Central Bank only

to be the banker of Government and equally says that the Central Bank relates to the finances and accounts of banks and financial institutions. The Central Bank is a creature of statute. Its powers are solely circumscribed by what the laws of this Parliament allow them to do.

Now, if he does not have that private deposit, then tell the country so - as the Minister quelled the rumour today about taxing of gratuities, and I thank him for doing it because they've had too many people in the last few days come and I have told them all that you cannot plan out your existence on a rumour. And I really am glad to hear that and that's why I would never have repeated it. But I am saying that the Governor of the Central Bank has a duty to tell this country whether the Central Bank of Barbados - this is not World Bakery, this is the Central Bank of Barbados - tell the country if it is a lie. Tell the country and the media stop publishing a lie if documents have been sworn to stating it wrongly. Tell the people who swore to the documents, including the very gentleman who says that he took \$5 million and deposited it in the Central Bank of Barbados. This is a serious issue because apart from the legitimacy of the Central Bank holding a private account, there is the very real issue of the Central Bank taking money that a long-standing commercial bank in Barbados for over 100 years says it does not have the risk appetite to hold. I have a bank that has been in this country for over 100 years telling you come for the money because I don't like how it look or smell or sound. What is the Central Bank doing with it even if it could hold private deposits of people?

Similarly, the Central Bank has a duty to put at rest the concerns of the employees who believe that money is being spent lavishly. Sponsoring shows, calypso shows, two Christmas parties, racking up of overtime that exceeds anything that any other employee at the Bank can legitimately conceive. You can't blame his driver, but if he is being forced to work, you have to pay the man. That's the truth. And these things are being done in a way that is reducing the morale of the staff at the Central Bank where senior people are being told you will not be here come the end of the year. No, this is not the way to govern. And I believe, Madam Deputy Speaker, now we have a duty.

But I want to go back to page 7 of the Central Bank report - hear what the Central Bank report also says as their values. I told you integrity and transparency. And it was against that background I asked the question about the account from the gentleman from CLICO. But it says here, accountability, page seven: We will be accountable to all of our stakeholders by being timely, open and accurate with our information and data. And in our actions we will ensure the safety and security of all assets and resources under our responsibility. Now, we will be accurate with our information and data. Madam Deputy Speaker, you know for how many quarters - for how many quarters - the

Central Bank was all of a sudden leaving out data in its report, data that used to be given all the time. Look at the September 2014 press release as the last one. All of a sudden, the Central Bank could not give the country up-to-date data on its fiscal deficit, up-to-date data on its revenue as a percentage of GDP, up-to-date data on expenditures as a percentage of GDP, up-to-date data on Government interest payments.

You know what this whole exercise is about, Madam Deputy Speaker? It is to make us look good for certain tests and certain visits. That's all this whole exercise is about. You know, so you go inside and you tell the people, come in the front house, and instead of you going and packing everything neatly and where it belongs and throwing away what is garbage, you put everything in the kitchen and cover it down with a sheet to the point where you can't walk through the kitchen. But the front house looked good for the 15 minutes or the hour that they visited there. That's what we are doing in this country. But it does not stop the materials from being in the kitchen because you ain't touching it. And God help you if you got potato peel and all other kind of things that can start to smell and rot. That is what this Government is doing. You shift liability by not bringing it here.

I told you about the people you owe and I'm saying in God's name, Madam Deputy Speaker, in the name of the people of this country - we need to believe the Government of Barbados again. We need a Government we can believe. We need to trust the word of a Prime Minister and a Minister of Finance when they tell a company you will be paid within weeks for pharmaceuticals, life-saving supplies. We need to be able to trust a Government again when it tells people what is this going to do. We need to trust a Government again when it says, bear the burden, take the pain, smile and grin and bear it, because we can get to safety in 19 months. And when 19 months come, we find out virtually where we started. That is what this date and this debate is telling the people of this country. And if we can't tell the truth, or if we are incapable of understanding what to do, pause and ask a question.

There is sufficient public debate if you don't want to come across to the Opposition. The Minister of Finance can just go a few chairs up to the Member for St. Philip West. We may not agree specifically on the parameters of his proposal, but the refinancing proposal has merit and more so when our debt now and our debt service in these Estimates - interest at \$689 million, almost \$700 million, and amortisation at almost a billion. Go short to the Member for St. Peter, who is sitting two or three chairs down. You don't have to come across to this side. We have a serious problem in Barbados and we need to pause and fix it. And you know, Madam Deputy Speaker, the longer we take to do it, the more there will be social demolition in this country.

The Member for Christ Church South talks in this Parliament in December 2013 - but he spent \$15 million, going to spend \$15 million on the feasibility of a new hospital. Estimates. Come here. And no reference in the Estimates. He is going to tell us - I see money for the St. John Polyclinic. But I wonder when he's going to tell Madam Deputy Speaker, yourself and me, that he is presiding over a project there that cannot get finished. That a project that was budgeted at \$15, \$16 million is now coming in at \$29 million. St. John Polyclinic. And that the contractor is saying that the problem is that the Government also has been making too many changes - changing this spec, changing that spec, changing this spec. And then the professionals are saying that they can't support the extra timeline and the extra payments, and all have gone to the Prime Minister since when? Four months ago or five months ago, and work still has not resumed. Madam Deputy Speaker, on your Polyclinic, those are the facts. So that when you express concern in here, I can appreciate it and empathise with it. But the bottom line is that this is a project that will now come in at almost 100 per cent of what it was budgeted for.

Let us get real and let us do the things we can. And let us put this country first. Let us put this country first in respect of recognising that the Government first has to be believable, credible. And if you cannot accept the words of the Government, think about wickedness. I told you, wickedness and weakness inspire the same result. This is a Government that is out of control, on a mission that is out of control. And regrettably, the consequences are not to the Government because their pensions have not come yet. The consequences are to the households and businesses of Barbados. And week by week, more and more persons are added to that list of persons who simply cannot cope.

I ask this honourable chamber to recognise that if this debate is to mean something, and if this debate is to go somewhere, let us confront our problems as they are, rather than trying to contort and to redefine them. Let us confront our problems as they are in a way that allows us to set some simple goals. To be able to reduce the cost of our debt on an annual basis. To be able to restore investment grade to this country. To be able to truly protect the vulnerable - not by cutting the welfare vote or the poverty eradication vote, but truly recognising that suggestions that we made, giving them access to land that is idle, putting water in there so that they can grow some crops or call some stock, increasing the number of licences for vendors and restructuring, working with the banks to restructure loans and mortgages and the credit unions to restructure loans and mortgages in this country for ordinary people. Let us do those things.

I am not even going to get in today on what I see as an impending problem with the banking sector, because you see a reduced footprint coming from the Canadian

commercial banks in the region, not just in Barbados. And the indigenous banks of the region are facing problems. The ones in the Eastern Caribbean are being restructured. And the ones here have significant problems with the correspondent banking provisions that they now have to comply with. And the truth is the Ministers of Finance of the region need to meet urgently on this. Just as they need to meet urgently on the true fate of CLICO. Not to be able to discuss the results of the forensic audit - that's a different matter. But to discuss how the policyholders - time will come for that. But to discuss how the policyholders can truly recover their money six years after. The issue is not about who is not with us. The issue is also about who is with us and keep promising a solution. We hear about a company that is going to be formed and capitalised with only \$30 million. The Minister says one thing, the judicial manager says another. Wherein it is supposed to be, I do not know. But suffice it to say that the nature of the problem facing the policyholders and facing the Government, if it is to take the policyholders out of it, is hundreds of millions of dollars. And that is for another day.

Because when the Minister told us in December that the company had been formed and he had met with the directors, regrettably, the certificate of incorporation for the company turns up as dated January 26, 2015. And therefore policyholders are justifiably concerned as to what Government is intending to do with them. They have been told by the judicial manager, as I understand it, that they will recover at most 22 cents in the dollar if Government does not step forward. And if you start with that 22 cents - which is down from 60 to 80 cents two years ago - you still have to take out expenses, which may mean that they may end up with no more than 12 or 15 cents in a dollar. Now, two Prime Ministers and a Governor of the Central Bank told these people that the Government of Barbados would at least give them back their principal. There needs to be a more expansive statement to the policyholders and indeed to the depositors of the executive flexible premium annuities. Are they going to get or not get? And worse than that, the Cabinet and Government will have to decide to what extent it is fair for the policyholders of Barbados - sorry, the taxpayers of Barbados - to carry the cost of the bailout without seeking to recover the funds which they have had to find from those that they may legitimately recover. And that is the difficulty when you take six years to resolve an issue. That is the difficulty, Madam Deputy Speaker, when it takes six years to resolve an issue.

And I therefore say at this point, Madam Deputy Speaker, let us debate our condition as it is. Nobody expects perfection from the Government. There's no election going on. But what there is is a continuing decline in our condition at the household level and at the level of businesses. The Government, in its rarefied atmosphere, 37 000 feet into the air, may be seeing signs of recovery. But

the people who live on the ground in this country on terra firma and the businesses doing business on terra firma have not yet seen any sign of recovery and far from that, are smelling hell to be able to keep themselves together.

I trust and pray that the two simple things that I've put on the table - addressing the issue of the refinancing of our debt to bring true stability to our fiscal condition, and two, working out how we can restore investment grade seriously as a matter of urgency because we cannot finance our development on 10 and 12 per cent money - that those two things must be at the centre of our discussions and that there are others. But those two must be the most important things for us. First, to address and recognise that as we do so, be sensitive always to the fact that we are now literally presiding over two Barbadoses. The majority of households and businesses in this country are finding it difficult to make it week by week by week, day by day. And I'm asking the Government, if it has a heart, recognise that this is what is happening and that we need to find different ways to go about doing what we are doing. There are sufficient solutions on the ground that we have put on the ground to minimise the suffering. Use some of them. Use some of them.

In the circumstances, Madam Deputy Speaker, we will await the responses of the Government. But this book, as currently structured, does not represent the reality of Government's condition or the country's condition. And we therefore find it difficult to be able to support it in this context. Because we know it does not get us out of the problem, nor does it reflect the true state of Government's liabilities, nor does it allow us to deal with the most urgent of problems - the elephant in the room - that our debt is literally choking out every ounce of space we have to stabilise, trigger growth, or to protect the vulnerable in this country. I'm obliged to you.

SUSPENSION

Hon. J. D. E. BOYCE: This House be suspended until 25 past 4 this evening.

The question that the House be suspended until 4.25 p.m. was put and resolved in the affirmative without division and Madam DEPUTY SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: Members, the sitting of the House is resumed. I will continue with Order 17. Yes, the Honourable Member for St. George South.

Mr. D. G. SUTHERLAND: Mr. Speaker, I rise to make my contribution to this Estimates Debate on revenue and expenditure. And at the outset I wish to compliment

the Honourable Member for St. Michael North East for her sterling contribution in her two-hour-long presentation. She indeed dissected every aspect of the Estimates that have been laid in this House for debate. And I wish to focus my presentation this afternoon on Head 76. And this Ministry has experienced the most callous expression of indifference I have ever seen. And the Minister of Labour will go down in history as being the worst Minister of Labour and anything in the history of ministerial governance in this country. But I wish to look at a few areas that have been presented not only in the Estimates, but prior to the Estimates. And I wish to start with the whole unemployment fund of the National Insurance Scheme. And this unemployment fund has become bankrupt all of a sudden. And the Cabinet has proposed to shore up this fund with some \$12.5 million. That was agreed by the Cabinet. At least that was stated by the Minister of Labour. But thus far this fund has only received \$6.5 million. And I am saying that something has caused the unemployment fund in this country to reach bankrupt stage. We have seen unemployment in single digits under the Barbados Labour Party. But all of a sudden unemployment can be debated to be as high as 20 per cent. Some are saying it is 13 per cent. But if unemployment was 13 per cent, we certainly will not see the bankrupt unemployment fund.

Mr. SPEAKER: Just a minute, Member. The Honourable Member has risen on a point of order. Yes, Honourable Member for St. Lucy.

Hon. D. St.E. KELLMAN: Mr. Speaker, as far as I know we are in second reading speeches. And the Honourable Member is misleading the House by saying that he is speaking on Head 76, because we have not arrived there as yet.

Mr. SPEAKER: Just a minute. The second reading speeches are really intended to concentrate on the general policy. But there is nothing wrong with a Member speaking on the Head generally.

Mr. D. G. SUTHERLAND: Thank you, Mr. Speaker. Because when I refer to the Estimates laid in this House on Head 76, there are certain aspects that relate to the NIS fund. Monies would have been voted in certain areas. Mr. Speaker, thank you. Because I can speak on all aspects of the NIS fund. There are three funds and I can do it. So thank you, Mr. Speaker. But let me get back on track before I was interrupted by the Minister Doolittle. Because certainly this Minister needs something to do - but not in Parliament. You must do it in your Ministry. And do not interrupt me when I am making salient points.

Anyhow, Mr. Speaker, the Government boasts of things getting better in this country. But if things are getting better, you need to tell the public how many unemployment benefit claims are submitted to the NIS

monthly. If things are getting better, as articulated by the Honourable Member for St. Michael North West, if things are getting better, why are so many unemployment claims being submitted to the NIS monthly? Which means that there is still a huge deficit with respect to unemployment in this country. And the NIS - the National Insurance Scheme - covers all aspects of employed and self-employed persons, and they offer five main types of social security benefits. And this area of the unemployment fund - if things were getting better, I repeat that we will not see so many claims, at least 20 000 claims monthly passing through the unemployment fund. And these are very serious things, because I heard the Honourable Member for St. Michael North West speak about maintaining a solid safety net to assist the more vulnerable persons in this society. And I wrote it down. Because if we are seeing the unemployment fund going bankrupt - this fund deals with unemployment; when people are laid off, you get unemployment for six months - and if you cannot get unemployment for those six months, then you are not addressing the more vulnerable in this society. So this Government must tell us how.

And part of the reason why we are seeing such a deficit in the unemployment fund - the fund going bankrupt - is as a result of the investment portfolio being contaminated by this Government. This Government is holding too much government paper as opposed to investing the surplus fund overseas to generate a good rate of return to shore up the fund. And I am saying to you, of the \$3.6 billion in assets - close to \$4 billion - 60 per cent of that asset is tied up in government paper. 60 per cent. And only 4.3 per cent can withstand the test of investment grade to generate a decent rate of return. And I am asking the Minister if this has been reviewed by the actuaries, if this can withstand actuarial tests as it relates to dealing with the people's money. Because as the Honourable Member for St. Michael North East said, under the NIS scheme, money belongs to the people of this country. The people of this country make a contribution to the National Insurance Scheme. It is not Government's money. It is money that should be invested. The surplus money should be invested wisely so that people, when they reach their twilight years, they can receive a pension; so that when people are unemployed, they can get unemployment benefit. But I do not think that is being done presently because we have too much government paper. We have too much of the assets of the \$4 billion assets of the NIS tied up in government paper. And that is one of the reasons why we are having issues.

And I am seeing the Honourable Member for Christ Church East Central. But he does not understand this whole aspect of the NIS scheme and where you need to invest overseas. He understands it. That is why he was able to make a statement recently to the effect that there was an issue with the NIS benefit scheme. But I will get to that

shortly. But Mr. Speaker, we need to shore up this fund. We need to make this fund solvent. And putting in \$6.5 million - now what will happen one year down the road? Will the Government be putting another \$12.5 million in this fund? And where will you be getting this money from?

But I want to move on, Mr. Speaker, because there are some other issues that we need to focus on here. And Government owes the NIS - the National Insurance Scheme - close to \$200 million. And it is alleged that the Government of Barbados is collecting people's NIS contributions and not paying them into this fund. So the financial integrity of the NIS is now under threat. Government owes a large amount of money to the NIS fund. And what will happen if this situation persists? A time will come when people who are working for Government can find themselves unable to receive a pension in their twilight years. Because this NIS fund is supposed to allow people when they retire to enjoy some of those benefits. And further to that, if Government owes the NIS close to \$200 million, what moral authority does this Government have to pursue the private sector and self-employed workers who themselves have not paid money into the NIS? So this Government is undermining the integrity of the NIS - whose funds they are holding in trust - but yet they want to pursue private sector companies and self-employed persons to pay NIS.

And I will repeat: the Government of Barbados is performing the role of a trustee on behalf of the people of Barbados. And they must take their responsibilities seriously. Something called a duty of care. You simply cannot pick up NIS funds and spend them willy-nilly like you did in Four Seasons, which is still to come to fruition. NIS funds used locally must be able to generate a decent rate of return. There is nothing wrong with using NIS funds once it is geared towards the development of this country. The Barbados Labour Party would have used the NIS funds under the Hilton project, but this was managed by the bank - First Caribbean Bank - because we generated a decent rate of return on that project. The Democratic Labour Party utilised NIS funds and built a building in Warrens, but they have not yet repaid those funds to the NIS. So this action performed by the Government can be considered one of criminal delinquency. And we have to safeguard against utilising these funds because you are acting as a trustee on behalf of the people of this country and you must take your responsibility very seriously. Discharge it with more duty of care, because we are looking after the people's interests and these are more vulnerable people in the society. So if you want to maintain a social safety net to assist the more vulnerable people, number one, you need to invest NIS funds more wisely. And also you need to stop using the NIS funds recklessly. And I call on the Minister to take hold of this situation. We cannot function arbitrarily in this way, because what we are doing is not paving the way for 50 years down the road whereby people - your children and

my children and those of you who will be retiring in 25 years - who will be looking to benefit from this fund, will not benefit from it.

But I wish to move on as well, Mr. Speaker, because recently we would have seen a system failure at the NIS with respect to the payment of maternity benefits and pension cheques. And this crop of ministers likes to take credit when things go well, and I do not have any difficulty with that. When it is going well, you can beat your chest and say, yes, I did it. But I want you also, when you have problems, to accept responsibility and not try to pass the buck. Because recently I heard the Honourable Member for Christ Church East Central speaking about the management at the NIS. He can say what he likes, but the responsibility for leading the IT system upgrade and to make sure that people receive their maternity and pension benefits during a system upgrade is the responsibility of the Minister. If it had gone properly, if it was executed properly, the Minister would have come out and said, yes, I did it. So if you have a challenge with the IT system upgrade, then you have to take responsibility. You have to come to the public and tell the public what are the issues with this system upgrade. Do not wait until things fail and then try pinning it on the Director of NIS. The Minister has failed to ensure that sufficient resources were put at the disposal of the Director of NIS to ensure that the pensioners and other persons receive their benefits timely. And this is a similar thing that was done with the Employment Rights Tribunal. I will get there. This is in the Minister's DNA and the Minister of Labour simply cannot manage. And we have to recognise that and deal with the issue. Too much trial and error. You do not manage by trial and error. You either can do it or you cannot do it. And it is very important that the Minister, even at this time, comes to the public and lets the public know what were the real issues with the system upgrade at the NIS. The fact that the Minister remains silent is a cause for concern. I said there are in excess of 20 000 short-term claims clogged up in the system at the NIS and we are not hearing any word from the Minister of Labour on these matters. She is remaining silent and passing the buck on to the Director of National Insurance. Neither have we heard from the Chairman of the National Insurance Board.

But I want to send a message this afternoon, because if we really understand protocol, the Constitution of Barbados at section 94 states that no Minister can discipline the Director of National Insurance. So why has she written to the Director of National Insurance trying to reprimand him for this issue? Section 94, subject to the provisions of this Constitution: power to make appointments to public offices and to remove and to exercise disciplinary control over persons holding or acting in such offices is hereby vested in the Governor-General acting in accordance with the advice of the Public Service Commission. This is from my notes. I have done the necessary research. So I tell the Minister: withdraw the

letter that she has written to the Director of National Insurance reprimanding him for this issue. You cannot do that. We have to understand that the people's livelihood depends on these cheques that were clogged up in the system - maternity cheques, pension cheques. These are people operating at the lower spectrum of society. These are people who can hardly pay the light bills. These are persons, some of whom rely on welfare to exist. But yet we are talking about maintaining a solid safety net to assist the more vulnerable. But yet we are allowing IT system upgrades and failure of a duty of care by the Minister of Labour to cause people to be suffering further in this country. And I am calling on the Minister to stop the nonsense. It has to stop. It has to stop. This Government has to stop it.

You know, I said earlier that when things go right, this Government expects to take credit for everything. But my point remains that when things go wrong you hide and you duck and you try to pass the buck. But that is not true leadership. That is not true management. You have to be man enough and woman enough to come and say: we have had a problem and I take full responsibility as the Minister for it. But a similar issue occurred with the Honourable Member for Christ Church East Central - the Alexandra School issue, the Parkinson School issue. These are things that the Minister likes to pass back. So it prevails right through the Government, not just the Minister of Labour. But I think that the Minister of Labour takes the cake. Because when we look at the litany of failures that this Minister would have presided over, we have to say that the Minister of Labour takes the cake.

But Mr. Speaker, I now move to the Employment Rights Tribunal - again on Head 76. And I see on Head 76, sub-programme 423 - Head 76, sub-programme 421 - sorry, we have some money on the operating expenses and professional fees for the Employment Rights Tribunal. But this again has been a fiasco. The Employment Rights Tribunal was set up now two years ago and it is clear that after two years it is still not ready to hear the cases - not only of the NCC, but there were cases, over 100 cases, before the NCC. Cases were referred to the Tribunal. But under the Employment Rights Act, this Act empowers the Chief Labour Officer. And the reason why this has been such a disgrace is because this Act speaks to conciliation before the cases go to the Tribunal. And I ask the question this afternoon whether the cases of the NCC workers were properly referred to the Tribunal or whether the conciliation process was bypassed. And hence that is where we are. Because under the Employment Rights Act - and I see the Honourable Member for St. Philip North shaking his head in acknowledgement, and I thank you - some matters have been sent straight to the Tribunal without conciliation. And do not think that the Tribunal can just pick up the NCC case and just hear it. Because the Act calls for hearing the cases as they come to the Tribunal.

And there are many cases that went to the Tribunal before the NCC case.

So what has to be done now? The Employment Rights Tribunal - the second one, because the first one has been a fiasco. And I should speak to that first because we have seen the resignation of the Board - all but one member - as a result of lack of regulation, no office equipment, no functioning secretariat to deal with administrative matters. These are basic, elementary things that the Minister failed to put in place. And if the Minister failed to put these things in place, I do not know what will happen when other critical matters come out of the Ministry of Labour. Any decent minister, instead of calling on the Tribunal to get ahead with the job, would have ensured that the Tribunal had the tools and equipment to get the job done. Because look what happened: the first Tribunal Board resigned, but yet the second Board - now you are putting in place the same things that the first Tribunal Board asked for. What a disgrace. There is too much trial and error by the Minister and I give the Minister of Labour a failing grade. I have never seen anything like this in the history of governance in this country. But that is what you get when you attempt to bring people who do not understand any system, anything about management, anything about governance, anything about leadership, and you force them down people's throats. That is what you get. What you put in is what you get out.

So Mr. Speaker, these cases that have been sent before the Employment Rights Tribunal - some of these cases have to go back to the Chief Labour Officer. And the Chief Labour Officer has to determine whether these cases are legitimate or whether conciliation is needed before these cases can be heard. So let us say to the NCC workers: do not expect that your problem will be resolved within the next four weeks. And I would like to see that the NCC workers get what is due to them. Because I have some NCC workers in St. George - even a man that is nicknamed Suku, he too was sent home. And he has - in about 10 years - this Government told us that no two persons from any household will be sent home. And we saw one from the Transport Board in the same household. And then we saw this lady from the NCC with 15 years of service being sent home.

But Mr. Speaker, I am hoping that the new Board will bring some measure of equity and equitable behaviour to these cases that have been forwarded to the Tribunal. But I want to go further because there is an area that is of great concern to me. And again on Head 76 - the Barbados Vocational Training Board. And I want to raise this and look at this matter from a capacity standpoint and from a capability standpoint. Because this institution - the Vocational Training Board - again caters to the more vulnerable people in this society. Those school leavers who have left school without any certificates. It is not anything

to laugh about. It is something that is very serious. These are people that are more likely to get caught up with the law. But yet I am not seeing anything advanced. I am hearing about a polytechnic to be built in the North. I am hearing about two more primary schools to be built. But yet I am not hearing about any central vocational training hub that is very critical to improve the capacity and capability of the Vocational Training Board so we can get some of these youngsters off the block - young men and women off the block. Recently I met with about 30 young men in St. George who want to enter the Vocational Training Board to pursue a skill. But there is no room for these young men. And when I look at the monies voted in the budget, I know that this year, again, we will see the same thing happening. So I am calling on the Minister to focus on capacity building and building capability so we can have these young men captured in the system, so that the Attorney General can speak less about violence among young ones and those young school leavers. This is a very serious issue.

Let us look at Sayers Court - one of the centres. We have a number of things being done at Sayers Court, people tumbling on top of each other. We have ASC training, electrical, masonry, heavy equipment, agricultural training - all this training is being done at Sayers Court. But it presents a safety issue. It presents a safety issue because you cannot have JCB and Bobcat training in a yard where you are doing other skills training. So I am saying this is a safety concern and it must not be taken lightly. We have to compete with Latin America and we have to compete globally. And I do not see us filling that void with the present system in the way it is being operated at the Vocational Training Board.

I am also seeing youngsters being kicked out of the Vocational Training Board. It is worse to let a youngster leave school without any certificates and then to have him expelled from the Vocational Training Board without any form of documentation to state: this young man has been in discipline, this young man has been doing this, this young man has been doing that. And I am calling on - I am sending a warning - because I am following a case from St. George right now where a young man with good grades has been kicked out of the Vocational Training Board. And we will sit in here and talk about maintaining a solid safety net. But these youngsters - this is the only hope. This youngster's only hope is to become an ASC Technician through the Vocational Training Board. And I am calling on the Minister and I am calling on this Government to make a greater effort to capture these young men.

But I end on this note, Mr. Speaker. I end on this note: that social demolition and social destruction has occurred in this country. And there is no hope under this present Government. But I leave you with the words of -

I leave you with the words of hope that under the Barbados Labour Party, we have brought this country. We have brought this country from the wilderness and we will return hope to this country. We will give the people of this country the alternative government. I thank you, Mr. Speaker.

Mr. SPEAKER: The Minister of Finance wishes to speak. You are waiting, St. Thomas.

Miss C. Y. FORDE: I note with interest that the Honourable Members on the other side are so ready to wrap up these discussions that hardly anybody chooses to want to speak. But I shall speak. Because I have been voted for without a single cent being paid for by me to anybody. Because I came in here on my integrity. And I am going to make sure that I represent the interests of the people of St. Thomas and the interests of the people of St. Philip North and elsewhere, even if I have to.

Mr. Speaker, sir, I want to refer to the comments made by the Honourable Member for St. Michael North West. And I note with interest that the manifesto of 2013 of the Democratic Labour Party speaks to these tenets that they want to uphold: socially balanced policies, economically viable development, environmentally sound practices, good honest governance. And I say that I give this Government a failing grade for every aspect of what is written here.

Mr. Speaker, sir, if you are talking about socially balanced policies, we need first to look at what the Honourable Member and Minister for Social Transformation did and presented in this Honourable Chamber. Sir, I understand it did not go. But there is still social transformation. Because the only thing in social transformation, Mr. Speaker, that has been transformed is that poor people have become poorer and Barbadians are suffering by the minute as a result of the poor policies and programmes that this Government has instituted.

Mr. Speaker, in the document that was laid by the Honourable Member, sir, the Minister of Social Care - a statement, Country Assessment of Living Conditions 2010 - it was laid here, sir, on February 14th, 2012, Valentine's Day of all days, when the Minister outlined the challenges. Do not worry about my Valentine. My Valentines are the people of St. Thomas who love me. And I love them. And I am going to represent their interests.

I know, Mr. Speaker, if I answer the Honourable Member, the answer will bring the wrath. And therefore I will continue to speak about the order and the plight that this Government has put on them. The Honourable Member for St. George South spoke about 6.7 per cent or so in 2008 when we left office. The unemployment level was 6.2 per cent and it was dropping by the year from

1994. More than 30 000 people got work. But this Government came in with a glossy manifesto and told people the first thing that the Government would do would be to address the cost of living - and multiplied it by three. And the last thing we expected this Government to do is for people to lose the same jobs that helped to empower them to be able to make a difference in their lives and that of their families and future generations.

So any Honourable Minister would have referred to the statement that was laid - the Country Assessment on Living Conditions, the CALC study. I was appalled, Mr. Speaker, sir, to try to understand this CDB grant that was offered - over \$500 000 to the project - and the findings that the highest rate of poverty were to be found in rural and eastern parishes. And I know that a candidate in the St. John general election in 1994 spoke of appalling poverty in the parish of St. John and how the senior citizens were suffering. But I never thought, Mr. Speaker, that the poverty not only in St. John but across the length and breadth of Barbados could reach the depths that it could underneath a Government that says fairness, equity, good governance, transparency - almost every good positive thing you can think about - in 2008, and came back in 2013 to say that they would give this country economically balanced guidance and management of these affairs.

I am appalled, sir, that the study showed how poverty is increasing, especially in households with poor people, women, children, single homes, women managing homes singly, young people. And the list goes on. But to make it worse, this Government came in and told the people of Barbados we are the better party to carry the country forward. And from day one in 2013, Barbadians' conditions for living have become worse.

So I live in rural Barbados and I cannot say, Mr. Speaker, that there are four houses in St. Thomas that have been fixed by the Rural Development Commission over the last five years. The Minister sent some inaccurate document in here and I had to respond to it. And to this day it has not been properly corrected as to how much money was spent in St. Thomas. When I know St. Thomas, I am sure by now you can refer to a document and you know that the document the Minister put in the House was extremely inaccurate. And I have written officially asking the Permanent Secretary in the Ministry responsible for Housing, Lands and Rural Development to give me an account, because no \$2 million was ever spent in St. Thomas between 2008 and now, and nothing is happening in the parish. And I still speak to Rockhampton Road that only needed the hot mix to complete the road. And nearly every resident in Rockhampton Gap, Jackson, St. Michael, has come down with Chikungunya because the water has filled in pools that run through a whole densely populated area, simply because there is no equity - according to what

I have learned and understood - with this Government. I am saddened to think that Barbados will come to this level.

But let me go on to the jobs, because young men and women were able to work in the agencies in Government to be able to earn an honest living. And it eased the burden on the Welfare Department and other agencies that provided stipends and maintenance in a different way. And today we have thousands of people - having seen the exit of more than 3 500 people sent home unceremoniously. Most of them are still out. And the first in, who were there working 10, 15, 20 years - 32 years one man was in the Transport Board - had been sent home because people assume that they are Barbados Labour Party supporters. This poses a tremendous difficulty, Mr. Speaker, when in a small society one road separates one constituency from the other. Families and households who vote differently sometimes. And a Government could look at people and pigeonhole them and send them home believing that they are Labour Party supporters.

When we look at polling in Barbados, we can tell there were times when Barbados Labour Party supporters or ordinary people who had no affiliation with any political party voted for the Democratic Labour Party. And there were times up until 1999 where we saw persons who would have voted Democratic vote for the Barbados Labour Party. In 1986, we saw a shift. And why are we in a small society promoting political tribalism by targeting individuals and stopping them from putting food on their table and giving their children food to eat?

And as a result, Mr. Speaker, we are seeing the upsurge of breakfast clubs. And I want to say that I am happy that they are there. I am happy, Mr. Speaker. I remember the Honourable Member for St. Michael North. But I am happy because I am going to make my point and I want to congratulate those organisations, those NGOs and other groups that are furnishing our children with breakfast to make sure that when they get to school there is something in the stomach, because the parents who were able to do that previously no longer can. And I want the Honourable Minister of Education in the position he is in to ensure that the school meals department fills its void at lunchtime by providing nutritious meals for our children. Too often, almost every week, the menu cannot be catered to because the produce is not available, the commodities are not there for cooking a particular meal that is on the menu. And therefore macaroni and corned beef, minced beef and macaroni, potato - minced beef and macaroni mixed up with some other thing. And the children are just throwing away the food all over the place. Principals will tell you, teachers will tell you, even the same children will tell you. And if per chance a child had to bring home a meal to let parents see what is being offered to them on some days, it would hurt the public's heart to see that is how the taxpayers' money is going.

I am saddened today, Mr. Speaker, to be living in a Barbados where a woman called me on Friday evening crying. She said, the postman just passed. My pension has not been given to me so far this month. But my daughter came - thank God for families - and she brought me two yams, two packs of macaroni and two packs of corned beef. I can now prepare a little something, because all of them were working before. But because of the poor policies and programmes of this Government, these children have now been sent home. And pensioners cannot get their money to be able to look after themselves and to buy the medication to make them better.

I visited an old lady in Cairnfield who is an amputee. For the last three weeks now she has had her foot amputated, and she said, Mistress, I am not doing too badly, but I was talking so much foolishness last night. I said, well, you are not talking foolishness to me. She said to me, ma'am, I want you to know that they changed my medication. And now I am talking so much foolishness because the Government said they have not got the warrant. Why should somebody who has spent 95 years working and toiling in the sugar industry be suffering like that at this stage of her life? That is only one case that the Honourable Members on the other side, Mr. Speaker, will not know about, because they are afraid to go into their constituencies because people are angry with them and they cannot take the criticism. And therefore I will be here, because I walk among my people as I have been doing my entire life, and not just for political reasons.

Mr. Speaker, you know what my other concern is. The pathways to progress have now gone to the perilous route to poverty. And the Honourable Minister, perhaps in his wisdom, his document that was laid in this Honourable Chamber shows that what we are saying is not stories that are fabricated - they are facts. And he sees everything in the Welfare Department where welfare officers are trying their best, pulling the hair out of their heads, but there is no funding. And I am saddened at the number of people who come to say the Welfare Department had my light bill and my water bill because I have lost my work or I am not in a position to work because of my disability, and therefore my bill would have been at the Department. And lo and behold, after six months of no bill coming to the residence - but they have been going to the Welfare Department - a bill comes from the Barbados Light and Power and somebody calls from the Barbados Light and Power or the Water Authority to say your bill is in arrears by a large amount. \$1 500 in a light bill in a poor person's house that will perhaps only use \$100 or \$120 a month. And then they have to fork out the money. I have a young lady now in the district that I will not name whose light has been off for more than six months. No work, no welfare grant. When she went in for the review, she was told, we can no longer do it, we have no funding.

And this Government picked up a Welfare Department that was doing excellent work until we know of the project. And we started that project called Welfare to Work. And now those poor men and women who are out there trying and working hard to make a dollar have gone back home. Waiting on family to give them a meal. Waiting on family to buy them something to make life comfortable for them. One must listen to the call-in programmes. That gentleman who called in last Friday to say I had a wife, I had four daughters, and so on and so forth, and I got a disability on the job. I am not getting my disabled pension yet. Because the processing has not ended. I lost my home in the interim. I am now drawing up with my parents at their house in a bed to be able to survive. And I need the money. I have been talking to the little girls and they are beginning to understand. But how do you tell a child when you do not have anything to give it to eat? There is no mother or father that would be able to do that without suffering emotional stress.

This Government said they had pathways to progress. We are on the road to a perilous street of poverty and it is hitting every aspect of our society. When it comes to crime, I do not want to talk about the news I heard about Swan Street this morning, because this is an international forum where everything is going all over the world. And I think our radio stations must tailor the kind of negatives that are happening in our society rather than making them headline news for persons to put up bulletins to say, do not come to Barbados. Every village, every community, people are putting up wrought iron windows and doors. They are now buying cameras. It is new. It is very new, Mr. Speaker, because the village I live in never had crime in the way that it is happening now. And quite a few houses in the little street I live in, called the Vault Road, that is in far rural Barbados, are being burgled on a weekly basis. And I am saying that if it is happening in rural Barbados in that way, where most poor people live, what about the other communities? And that is as a result of the poor policies of this Government that told Barbadians, we will be there for you. We will empower you and make you different.

They are talking about socially balanced - crime is rising. Not all the crime is reported. And the poor police officers and the marshals and others are barely operating. Some do not even have a spotlight; if there comes an accident in the night, they do not have the tape to measure around to block off the area. Absolutely nothing. It is such a perilous situation Barbados is in, Mr. Speaker, sir. The population of approximately 270 000 people. Now, according to what I am reading, this Government that says it believes in transparency and that it believes in fairness and good governance - this population will soon raise 270 millionaires and the 269-odd thousand will be beggars if we do not look seriously and address the issues that are in our households, our neighbourhoods, and across the country of Barbados.

But you know what, Mr. Speaker, this Government is so proficient and efficient - and everything else - that the sugar industry, the sugar crop, cannot even start and we have passed the middle of March. The only time I ever knew about something of this nature was in the mid-1990s when \$150 000 was needed under a Democratic Labour Party Government and a gentleman from St. Joseph apparently supplied it and then came out and spoke about it years after. Boys are on the block selling sugar cane. By the time the co-op is ready to start, you will not find any. And I am sure that none of them has ever planted a hole of cane. But they are reaping it and they have got a market and they are selling the cane. What is the problem with the sugar industry? We want to know. Too many millions of dollars have gone into it.

We cannot settle the matters with CLICO, because we learned when the no-confidence motion was brought here that to speak to CLICO was laughable - it was not even worth looking at, far less discussing. And I know 600 people in the month of February were no longer receiving their pensions through CLICO. I have constituents who have invested large amounts of money in CLICO and yet we heard a late Prime Minister say, oh, nothing is wrong with CLICO. Let us put in this \$10 million at the Central Bank. And Barbadians are suffering. Some have died. Because I would not like to know I had \$100 000 and put it in any agency and then I cannot get it to pay my medical bills, get paid for education for my children, to do whatever I have to do to improve my lot - and then I cannot get it because one or two people have become filthy rich as a result of that whole CLICO debacle. I want the agencies and the individuals to be brought to justice so that the people of Barbados can feel comfortable to know they can get back, if not all, most of their money.

Because we are raising millionaires in Barbados under this Democratic Labour Party Government. Allowances have been taken away from the police and others. The reverse tax credit that poor people relied on every year - they were getting \$1 300 or whatever, then they hear they will get \$650. Not a cent. But I believe that this Government needs to check to find out from the Republic Bank - formerly BNB - who were the persons cashing the cheques from the reverse tax credit fund at that particular bank. And bring those people who are in high society to justice, because it is nearly a million dollars, I understand, that was cashed over time by persons best known to the Democratic Labour Party. That is the information reaching me. I would like for my income tax returns. And you can talk about Cahill too. I am not getting to Cahill today.

Mr. Speaker, the Honourable Member for Christ Church East told the people of Barbados, drainage will be a thing of the past. Mr. Speaker, even Bridgefield, which is on the slope, is flooding whenever we get a heavy rain in

the parish of St. Thomas. I wonder if the Honourable Member still goes back to St. Andrew where his naval spring will be buried, sir. And I would like him to go there a day when the rain is falling, sir. Because places that never flooded before - and that Honourable Member is responsible - hundreds of people are going home and an unemployment tribunal has been set up, and all like now my constituent who has 15 children in her household cannot get a single cent because the unemployment benefits are down. She is only one. Beautify Barbados - 59 people gone home.

I am saddened, Mr. Speaker, at what is happening. I would like the Honourable Member for Christ Church East to leave me alone because he has not bought a sanitation truck. And the garbage in Barbados - around Barbados - environmentally sound, my eye, Mr. Speaker, sir. Not a truck. Not a truck. And now illegal dumping is growing through every road in Bryan and Vacluse and Cane Field. You should see the garbage mountain. Mr. Speaker, I tell you, do not let me talk about Cahill. But Cahill said for \$240 million - it is now a project for \$300 million because of the downgrades of this Government of this country. And therefore I am not going to deal with that now, Mr. Speaker.

I am not going to Queen Elizabeth Hospital. There is another Member here who will deal with that. I would like to know, though, when the polyclinic at St. John will be completed, having got so many millions of dollars in cost overruns, because the Barbados Labour Party under the Honourable Member for St. Peter was driven to its knees previous to 2008 by some persons who were on the call-in programmes that were the acolytes of the Democratic Labour Party. And you hear crossover run, crossover run. There are crossover runs at the Boarded Hall roundabout too, Mr. Speaker. There are crossover runs in Redman's Village where people up there are suffering. With a road that was being built for so many years, I did not even know Highway 2A was going to be extended to that extent. We knew that we were asking for a four-lane road, two lanes either way. But now Redman's Village is nowhere near finished. A light has been put up and every day people are scampering across the road to be able to save their lives from the danger. And Government officials are running around in the biggest cars you could ever want. And poor people out there in Redman's Village and on Hines Hill. Hines Hill only wants the light as is at St. Barnabas. But they had better cross over or walk over. That I call Pandora's walkover. \$2.5 million that could have gone into keeping people employed in NCC and SSA and Transport Board and the other agencies that have been sent home. I am saddened, Mr. Speaker, sir.

Mr. SPEAKER: Your member has five minutes.

Miss C. Y. FORDE: Thank you, Mr. Speaker. I was not quite ready for my speech, but I will talk. The youth of Barbados, sir, are walking around needlessly. Nothing to do. I have a young lady in my house, almost 20 years old, my granddaughter, well trained, cannot find a job. I am not going to beg anybody on that side for a job for any of them because she is not going to give anything for the job. But Mr. Speaker, you know what? We cannot get them to go into the Community College.

Mr. Speaker, our young people have been going to the Community College. We had an excellent project called Project Oasis. I know some -

Thank you, sir. Thank you. Mr. Speaker, we were trying our very best to get young people off the block. Oasis was working for them. Now we hear about youth mainstreaming and we hear about endless possibilities - that it is so endless that five people got jobs in Endless Possibilities. But the Honourable Minister would tell us they cannot get into the Community College, cannot get into the Polytechnic and so on. And now that the economy is so bad, there is no money for them to pay. But we go and bring in some Nigerians - and I welcome them here, because I know Barbados has always been good at the teaching experiments where teachers came from all over the islands, police officers came from all over the islands and came to Barbados for training. And then a Parliamentary Secretary goes on the radio to say, next time these people are coming, the Government needs to know. How in the name of Sweet Jehovah could almost 100 students come in and go to the Community College for training in hospitality, and a Minister does not know, a Government does not know? And Barbadian children out there sitting down would be glad to get into the hospitality unit to do some studying. Something has to be wrong with our psyche, Mr. Speaker, sir.

Mr. Speaker, at Rock Hall, St. Thomas, sir, the Honourable Minister of Culture has constructed six small shops or souvenir shops. Nothing, Mr. Speaker. They were to be officially opened or handed over in September 2011. Mr. Speaker, those shops are among so many trees now. The only thing that is telling you that something is there is a hoarding - nothing. And persons in Rock Hall and the surrounding communities in Freedom Village where tourists go every day can go and see nothing, buy nothing. NCC has not cleaned the place in years. Up there is run down. Mr. Speaker, I want to know why those millions of dollars were spent and nobody is getting a shop so that now that they have lost their work, they can ply their trade.

Mr. Speaker, the HIV/AIDS department. The Honourable Member for St. Lucy needs to tell us about the housing for persons living with HIV. Mr. Speaker, you can speak with me because I know we went and we did the filming where this Government spent thousands of dollars

for Members of Parliament to set the example out there as leaders in this society, so that people understand we are against discrimination of anybody. And I know His Honour and I turned up for the sessions. All like now it is dormant. All like now that should be on the television station so that persons out there who are living with AIDS and young people and others will get to understand we are rubbing shoulders with you. We are setting the example and we are guiding you to watch the kind of activities you are engaging in, the sexual activities and the lifestyles. And so to this day, nobody can give a word. And Mr. Speaker and His Honour the Speaker came down here and spent nearly a whole day filming to set that example. That only goes to show that even in small matters, this Government cannot function or deliver. Something is wrong in this country.

Mr. SPEAKER: Honourable Member. Yes, sir. Just for the record, you said that government spent thousands of dollars. As you know, the money was a donation from UN Women, not the government. The funding was provided through a donation from UN Women, not the government. UN Women.

Miss C. Y. FORDE: Not the government. That does not make it better. The women could have spent that on those women out there with poor children now suffering, who cannot find food to eat. That even makes it worse, Mr. Speaker.

Mr. SPEAKER: Please wind up. Your time has expired. Please wind up.

Miss C. Y. FORDE: I will just make the final point. The Honourable Member for Christ Church West Central - he seems to be in love with me. But he is not my friend at all and never will be. I do not like his behaviour, sir, as a minister. I am sorry. Even the chandeliers that govern my house - \$100 000. And I know that the Clerk of Parliament will be glad to get the chandeliers for this distinguished chamber and talk about the Antiquities Bill. We are having tremendous problems. A lot of wastage in this country. The Alexandra School business - a million dollars again. And what has happened to it? Everything had to come back to the government agency responsible to treat to it.

Mr. Speaker, sir, I am saddened today to be a Barbadian living in a society knowing - knowing that this government came with all these grandiose plans, these glossy manifestos, all this sweet talking and flowery speech, Mr. Speaker, and then turns around and does not deliver in the way that it has agreed. I believe that Barbadians, sir, deserve better. And therefore I am going to lend my support to these estimates, because I want Barbadians - the few who are working - to be able to get their salaries and to

get their services. But I shall continue my discussion, sir, in this forum for the next few days. I ask God to let me live through the chikungunya, because the community where I live has not been cleaned by this government. But with God's help I will put on my long sleeves and anoint myself. I shall be here with God's help for the rest of these days, because this government needs to be accountable to the people of Barbados and the taxpayers in particular. Because we are a proud people. They were handed a legacy. They have destroyed it over a seven-year period. It is like seven years of famine in Egypt. Thank you, Mr. Speaker.

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

Miss S. J. O. BRADSHAW: Mr. Speaker, I rise to contribute to what is considered by many as an important debate in this chamber. It is a debate that sets the tone for the revenue and expenditure of the Government of Barbados for the next financial year. And a debate which by most standards one would expect that members of the government side certainly would be anxious to defend - the estimates of revenue and expenditure which were laid this morning by the Honourable Minister of Finance. One would expect that members on the other side would be anxious to be able to contribute to this, because in each of their respective departments, the heads under which their departments fall in this particular document, I am quite sure that many of them no doubt would have contributed to what we are here to debate today. And therefore it is surprising that none of the members on the government side have risen thus far to be able to contribute and to support the Honourable Minister of Finance.

But on the other hand, it may not be so surprising, Mr. Speaker, because I am going to conclude - as I am sure the general public will also conclude - that the members of this government are unable to support the estimates because they themselves find difficulty, just as we do on the opposition benches, trying to appreciate how it is that this government will be able not only to increase the revenue for this country, but also to reduce the expenditure in the various government agencies for which they represent. So it is not quite surprising, after all, that members on the other side have not risen since the Honourable Minister of Finance has made his statement and the Honourable Leader of the Opposition has made her response to this debate.

And I want at this point to say that I want to congratulate the leader of the Barbados Labour Party opposition, because when the Minister of Finance was wrapping up, he could not help himself without making reference to the recent poll in the Nation newspaper. And he could not help himself because by drawing reference to the fact that the poll would have suggested that the people

of Barbados have confidence in the leader of the Barbados Labour Party, it is also to suggest that the people of this country also seem not to have confidence in the policies put forward by the Democratic Labour Party administration. So perhaps when we look at the series of events that have brought us here today - the fact that members on the other side cannot speak to the estimates, and the fact that members on the other side may seem rattled by the fact that a poll has suggested that the Barbados Labour Party leader finds the confidence of the people instead of the Democratic Labour Party administration - that may be the reason why not one single member has been able to rise to defend anything within the estimates thus far this afternoon.

But that is said because the people of this country at the appropriate time will judge for themselves the silence of the members of the Democratic Labour Party administration. Because it is all well and good to say that members on the other side would like us to rush ahead to get to the respective heads that we are supposed to debate. Because we have been asked on this side and we have been told that we should be debating the heads of Education and also Health in the course of the next few days. And perhaps we should make a significant turn of events to be able to rush through the second reading speeches from each of the members on this side and on the government side so that we can get to these respective heads. And I asked myself, Mr. Speaker, why is it that the government would wish us to rush through the second reading speeches? Because I would have thought that they would each want to defend the estimates of expenditure in their respective ministries and to hear from the opposition members any of our concerns so that they can address the concerns for the people of this country. I would also have thought that members of the government would have taken the opportunity, when the time comes in the respective heads, to debate the issues which no doubt in the social sectors concern the people of this country. So yes, we want to get there, but I do believe that we have to take the time to be able to go through all of the respective heads as quickly as we possibly can.

Now, I am not going to be led down the line, Mr. Speaker, that this administration all of a sudden wants to reform the system of Parliament as we know it. I am not going to buy that at this point in time. Because if it is that there is a recognition that sometimes we do not get through the respective heads in time, and if there is that recognition on both sides, then it is not that we start today to try to rush through the second reading speeches. Instead, what we must do is look at parliamentary reform in its entirety. So do not come telling us that we are trying to rush through a head, to rush through the second reading speeches to get to the heads. But when we on this side suggest to you that we must have joint select committees of both the opposition and the government benches, we get these suggestions

scoffed at. Not one single member on the other side has ever risen in this chamber to be able to agree that we should perhaps come together in our select committees to be able to make determinations on the same issues that we are going to debate over the course of the next few days.

Mr. SPEAKER: I would like you to speak with relevance to the estimates or the Appropriation Bill. Let us move on.

Miss S. J. O. BRADSHAW: I expected this, so I will continue. Mr. Speaker, we have to be clear that if we are here to debate this particular Appropriation Bill, that we must do so within a context that allows the people of this country to have a certain confidence that what is presented here reflects what it is that this government is not only capable of achieving, but that they intend to achieve what they say they are going to achieve.

Now, the problem with the Barbadian society right now is that most Barbadians have a difficulty believing this administration. So when we hear that nobody is going to be sent home before the elections and then we come to find after that persons are sent home, and when we hear that there are going to be bursaries, and then a few weeks later we hear from the Minister of Finance that those bursaries can only come if the Minister of Education finds the relevant cuts within his ministry, it is difficult for the people of Barbados to believe that even in this document presented here today we can believe what is presented in terms of what our revenue intake is going to be, or in turn, what our expenditure is going to be.

And therefore, Mr. Speaker, I listened attentively to the Honourable Minister of Finance this morning. And what was interesting is this: he spoke a lot about where the increases are reflected in the document. He spoke about where the revenue increases are going to be found. But what he did not do is to look at the situation which we find ourselves in, where we have not been able to achieve the targets which have been set by this administration not only in the medium-term plan, but the revised medium-term plan as well. And we have also found ourselves in a situation where he has not been able to relate the current expenditure and revenue to what he himself has projected in relation to the budget that was presented in this chamber back in August of 2013. Because this government asked us to embark as a people with them, to be able to work with them and hold their hand, to be able to see us through a very difficult time in the Barbadian economy - a difficult time which for the most part was contributed to by the Democratic Labour Party administration. Because if you have run a deficit for seven straight years and you find no way to be able to seek out the growth that is necessary to lift up the Barbadian economy, then you have no one else but yourself to blame.

So when this administration continues to embark on a course where these estimates are presented against the background of an international global recession, and that when they came to office they came to office having to clean up the mess of the Barbados Labour Party, I ask members on the other side to pause for a second, because they have been in office since 2008, and therefore, if there was any cleaning up to do, this Democratic Labour Party administration had more than enough time to clean it up.

So when I hear this morning that there is now going to be a Procurement Act, and I hear that this Procurement Act is going to have a procurement board to be able to deal with the issues of persons obtaining contracts and to ensure that there is transparency of contracts, I go back to the period of 2008 when the same Democratic Labour Party administration came to office heralding that they were going to stamp out corruption in government and that they were so going to stamp out corruption in government that they were going to introduce the Prevention of Corruption legislation. And when they did introduce the Prevention of Corruption legislation, it has not to this day even been proclaimed. So I do not listen to the pretty talk about any procurement board or any procurement legislation, because I have also heard them say that they are going to pass a Freedom of Information Act. I have also heard this administration speak to the fact that they will have a ministerial code of conduct. And to this day, 2015, we have still not had any of those things upon which the Democratic Labour Party administration came to office and said that it would do.

If it is that the people of this country, and in particular the Barbados Labour Party opposition, has a difficulty with these estimates, it is because the Democratic Labour Party has not kept its word in relation to the things that it has said - in terms of the growth of our economy, in terms of the income that it has said is projected to be received by the Barbadian economy. And it is certainly not satisfied on this side that the social safety net that the Democratic Labour Party has said that it has put in place, or is in the process of putting in place, is anywhere being felt by the very most vulnerable people in our economy. And therefore, Mr. Speaker, I am unable to support these estimates on the basis of the fact that it is difficult to believe anything that this administration has said on everything in terms of projections. None of the projections have been met. There are shortfalls in every aspect of this document, Mr. Speaker. And if it is that members on the other side have not taken the opportunity to read the estimates and therefore cannot contribute, that is not our problem on this side.

Now what I have to ask myself, Mr. Speaker, is whether or not these estimates reflect that the Barbadian economy is either on the mend, or that the people of this country who have been laid off, the people who for the last

18 months have been unable to obtain their tax refunds, whether these small businesses or the large businesses or the medium-sized businesses that have been unable to obtain refunds from government, or whether the persons in the hotel sector who themselves may have seen a slight increase in arrivals but certainly have not seen an increase in the revenue spend for their respective businesses, if they themselves are actually in a position to believe that what we have here presented before us is indeed going to take us on a path to recovery.

And I say, Mr. Speaker, in relation to my constituency, I have some serious concerns when I look through the various heads. Because I look at the Ministry of Housing and I look at the fact that there have been decreases in the amount of money allocated for the maintenance of the various properties in relation to the Ministry of Housing. I have one of the largest housing estates in this country. And the fact of the matter is that this administration came to office giving the people of this country the hope - the certain hope - that persons who lived in tenancy units for more than 20 years would receive their conveyances to their properties once the Democratic Labour Party came to office. And to this day, despite legislation having been passed on the eve of the last election, despite protestations by the Minister of Housing on various occasions trying to defend that the legislation would be amended and that we would have a situation where the conveyances would come to the fore, not one single conveyance has been handed over to any member, certainly in St. Michael South East, to date.

Now, Mr. Speaker, I have concerns because when people come to me complaining that their doors are falling off, that they are unable to access their houses because of overgrown bush - because the NSC does not have the money anymore to be able to send out persons to do the debushing - you have a situation in communities where people are now having to take the onus on themselves to be able to clear a number of the vacant lots and the open spaces that exist in the communities. You have a situation where elderly people are unable to take the little pension monies that they have to be able to repair the homes in which they live. And when they call the National Housing Corporation, they are told simply that there is no money. So I ask this Honourable chamber, through you, Mr. Speaker, and the Minister of Housing, to be able to speak to these issues, because these are of serious concern to persons who believe that they would be intended homeowners, persons who believe that with the conveyance in hand they would also be able to take those documents to be able to make improvements to their home.

And we have said on occasion on this side that if we see an increase in the fees for the legal department to ensure that the transactions in relation to getting these persons their conveyances is included in these estimates,

the Barbados Labour Party has no difficulty with that, because we believe that these people have been made a promise by the current administration and if it is that it is affecting the ability of these individuals to resolve issues relating to their electrical, to their wells, to their general ownership of their properties, the Democratic Labour Party administration owes it to these individuals to be able to ensure that this promise is fulfilled before they leave office, which no doubt will be very soon.

But Mr. Speaker, I want to come also to the issue of welfare, because again, a number of the recipients in the constituency and across Barbados complain to me daily not only about the treatment meted out within the Welfare Department, where some of them are made to feel like they are second-class citizens, but also at the fact that a lot of the payments that were once made to deserving individuals are now no longer made. And as a result, a number of these persons, because their family members upon whom they may have relied have now found themselves unemployed under this administration, have nowhere to go in respect of finding secondary income to be able to contribute to their household.

Now, the members on the other side - I do not know whether or not, Mr. Speaker, through you, they share the same concerns that we do on this side, but we face these issues on a day-to-day basis. Now, when you cut the welfare grant, when you ignore the amount that the Poverty Alleviation Department says to you that you must put in place in order to deal with the persons who are now falling below the poverty line, what you do is basically aid and abet the vulnerability of the very people whom these systems have been set up to protect. And I say to you that whether or not you have the vulnerable people in your constituency or not, the fact of the matter is that whatever you may have, at the end of the day, the people who are most vulnerable do not care about what you have. And if you fail to protect the most vulnerable, you basically expose yourself to having them come to take from you. And therefore it is imperative that we do not just talk the talk, but that the estimates of revenue and expenditure - and in particular the expenditure that is allocated to the Welfare Department - reflects the current situation in this country where more and more people are falling below the poverty line.

The Honourable Member for St. Thomas spoke about the issues within the Welfare Department and the level of poverty that she sees not only in St. Thomas, but that she sees across this country. I face it every day. Again, I do not know if members on the other side are in contact with the very people whom they represent, but the reality is that we have a set of people in this country who are falling below the poverty line and for whom, in most cases, the Welfare Department may be the only avenue through which they are able to obtain assistance. You also have the

situation, Mr. Speaker, where sometimes the people go to the Welfare Department and with little money for bus fare to get to the Welfare Department, they are then told, well, try to get on the light bill or pay down something on the water bill, which is going to require them to find the money now to get to one of the pay outlets to be able to pay down something - if in fact they do have something to pay. Or in some cases they are told, well, at least go to the office and speak to an officer in order to put your case. And the fact of the matter is that in a lot of cases, this could be nipped in the bud if the proper assessment is done at the initial stage. If somebody reaches a point where they are coming to the Department for welfare assistance, they have reached a point where they are most vulnerable in their lives. And I would ask the Honourable Minister, through you, Mr. Speaker, to speak to this issue, because whilst we know that we may not be able to capture every single person, it is something that concerns me because it is affecting families, it is affecting our young people when their parents cannot feed them, it is affecting the crime situation in this country. I am seeing the bottom of this society falling out because we are not protecting the most vulnerable in our society.

When we look at the fact that this administration came to office speaking about ensuring that this country is socially balanced, I get concerned when I see that no attempts are being made in this country to be able to deal with the number of young people who have nothing to do, the number of young people who are coming out without certificates, the number of young people who, in relation to the sporting sector, find that the community centres need improvement because what may have been satisfactory in the 1970s, when units were built and when developments were laid out, is not satisfactory today. You have an explosion of a population of young people who have taken over, in a lot of cases, the open spaces in communities. And then from time to time they start to squat. And then from time to time they start to engage in illegal activities. And then I sometimes get a call or a letter from the learned Attorney General indicating to me that these activities need to have some kind of intervention. Because now you have a situation where the National Housing Corporation owns the lands, the persons have started to build on the land, you have Community Development who knows that the property has been taken over by these youngsters in the communities, but they have not had a conversation with National Housing, they have not had a conversation with the police to see how we can rectify the issues that are being presented. But yet you would see in the estimates of revenue and expenditure allocations to these various ministries. But when you stop and ask the question, have they spoken to each other to determine how they can synergise and work together to find solutions to the problems, that is not happening. And I ask myself, why? Why is it not happening that the very things that we need in this society to stop the deterioration that is occurring is not happening?

It should not be the case that we recognise that there are not enough outlets for young people to recreate, but we direct our resources in the prison system to be able to rehabilitate, instead of trying to find preventative ways to deal with the problems that are presenting themselves in this society. For me, it is important - and this is the attitude, Mr. Speaker, that is carrying us down a dangerous road - where again, as I spoke about before, there are members in this Parliament who fail to recognise that taking preventative measures to deal with young people in this society can only lead to a better society. Instead of waiting until the problems get out of hand to then come in with the long arm of the law is not the way to deal with the problems that we are having.

It is difficult, Mr. Speaker, to ignore Honourable Members on the other side when I hear the callous way in which they speak about the society that they talk about, that they are supposed to be developing, and I see all around me the society breaking down. We cannot even get good governance in the House of Parliament sometimes because of the behaviour that members on the other side condone. We have to start to set examples from the highest office. So do not go there with me. ...

It is important that we recognize the problem. It is important that when we look at the programmes that are being developed in relation to what we are spending to turn around this country, that we ensure that we have programmes that deal with our young people, because for me, they are the future of this country. We have a situation where up until now we cannot get the Preservation of Antiquities Bill passed, which would certainly generate revenue for the country with the UNESCO inscription. Now, that was a Bill that was shot down in the Senate. It has not had any changes made to it to come back to this Chamber. And I hope that the Honourable Minister responsible for that area would speak to that.

But we have also had a situation where this administration has led the young people of this country and the artists in this country to believe that a Bill known as the Cultural Industries Development Bill was going to be the saviour of all artists, musicians, filmmakers, in this country once it was proclaimed. And the Honourable Minister knows of what I speak because we passed it last year in November. It was proclaimed in February. And I am anxious to hear from either the Minister of Finance or the Honourable Minister of Commerce, Culture, how is this fund going to be capitalised? Because all the pretty talk that we have heard from members of the other side about how they have been the ones responsible for passing this legislation, I have heard nothing in relation recently to how these creative people in the industry are going to access the funds to be able to export and to exploit their respective talents.

And again, I say it is difficult to believe this administration because we have just seen this administration promise and break their promises. I mean, when the Honourable Member for St. John has to reach the point where she has to come here to beg members on her side to finish the St. John Polyclinic, I know that we have gone down a very dangerous course. But at the end of the day, Mr. Speaker, it is about believability. It is about the fact that I would humbly submit to you, Mr. Speaker, that this administration has gone off track. I believe it was the Honourable Minister of Finance who came to us back in 2013 in the budget and indicated that the economy had gone off track. But I believe that at this point the Democratic Labour Party has gone off track because it is difficult to recognise the Democratic Labour Party of the current day. It is difficult to believe that the things that it has said in relation to the growth of the economy in this country will happen. We are seeing other territories performing. We are not seeing Barbados performing.

And I know that my colleague will speak to the issue of tourism in due course, because if we do not have the platforms to grow the economy, a lot of the social sector that require the funding will not be able to have the adequate funding, as we have seen in the course of the last seven years from this administration directed to them. As a result of that, Mr. Speaker, I would say to this administration, time is against us. If you are honest with yourselves, you will see how our society continues to break down from each level. And if it is that we can take the necessary intervention to be able to pull back the country from where it is going, then I suggest we do so. And it does not mean that you have to come to us for advice, because we have exhausted over and over telling members on the other side that we are prepared to sit to discuss not just the economy, but to discuss other matters to be able to put Barbados back on track.

But clearly this administration does not want to sit with us, but we continue to extend the olive branch to sit with them, to get Barbados back on track. Because I do not have any other passport. I belong here. I am a proud Barbadian. But I cannot agree with the way in which this country is being run and the direction in which this country is going. And if it is that we have reached a point where your word is not your bond, then I believe it is time that the Democratic Labour Party vacate the offices which they hold. Because the people of Barbados are now holding you to account for the things that you say are going to happen.

I have not heard anything about the Silver Sands Project. I have not heard anything this morning about the monies that are owed from the BTA to its creditors. They talked about some festival that was supposed to happen, some arts and music festival that was supposed to happen - it was supposed to happen last year and it has not happened. We have not heard anything about the marina.

We had about ten different dates given for when the project was supposed to start.

So on that note, Mr. Speaker, as I said, there is a long list of things that caused me and others not to believe that what is in the revenue - the estimates for revenue and expenditure - will actually be achieved. And therefore, I wish the Government good luck in trying to convince us over the course of the next couple of days that better can in fact be done.

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

Hon. D. St.E. KELLMAN: Mr. Speaker, I too rise to speak in this debate and to also correct some errors - I would like to call them errors and not lies, sir - that were given in this debate. The Honourable Member for St. George South, please refrain from doing that. Errors are not lies. Just call them errors and leave it at that. Yes, I am calling them errors, sir.

The Honourable Member said that the Government of Barbados - and one has to be very careful how one reads a brief - used the National Insurance money to build buildings at Warrens. Mr. Speaker, the Honourable Member for St. George South said that we deprived the National Insurance and used the money and hardly paid them any interest to build buildings at Warrens. Everybody in this House knows, the Honourable Member and his colleagues, that those buildings at Warrens were built by the National Insurance Department and leased to the Ministry of Housing and Lands. That is correct. But the Honourable Member comes in here and gives the impression that the Government took the money from National Insurance, built offices for the public service, and hardly paid the National Insurance any reasonable return on them.

Mr. Speaker, everybody knows that the best rate of return that the National Insurance Department receives for their money is when they deal with the Government of Barbados - 5 per cent higher than anywhere else. But yet you get the Honourable Member for St. George South taking a brief and not understanding what is given to him, and getting up in this House and making a comment like that. Mr. Speaker, I am saying that one has to be very careful when one speaks on these matters. Because if there is any department that has benefited tremendously from the Government of Barbados, it is the National Insurance Department. Because if the Government did not pay the National Insurance Department that 5 per cent spread, their balance sheet would not look as good as it looks today. Because when people were saying to the Government to encourage the National Insurance to take this money and send it overseas, the Government said no - we will use it so that they can sustain and pay pensions, et cetera. But one

gets the impression that this Government is abusing the National Insurance funds without them looking at the opportunity cost of money and recognising that all governments over the years have been able to increase the returns for the National Insurance funds. And that is why the state of play is so good today.

But I also want to pick up another point that was made. We heard today in here - and I want you to listen very carefully to this one, Mr. Speaker - that the National Insurance Department is not paying out benefits and that the Government should turn around and give vouchers. In other words, the money is owed by the National Insurance Department, but you then go and create another expenditure by creating vouchers to increase the deficit. When everybody is fighting to reduce the deficit, we get this big solution which will only make things worse. What should happen is that the pensioners and the recipients should be able to use the liability that the National Insurance Department has created to go to the supermarkets, go to the banks and go to the creditors and say, give me credit because the National Insurance money is coming. What we heard instead is that the Department should go and increase the deficit. And that is offered as a solution when we are trying to reduce the deficit and propel the economy and use those funds to productive usage.

So, Mr. Speaker, I support the proposal by the Minister of Finance and I am happy to report, sir, that unlike the last person who has spoken, who is not aware of what the Honourable Member had to say - but then again, the Honourable Member took a brief before understanding the brief - because the Honourable Member said that I promised that we would bring legislation here to deal with the conveniences of those houses. Everybody in here knows that during this current term that was done already. So they are so focused on trying to mislead the public that they are even misleading the public on things that have already been passed in this House.

And for the Honourable Member for St. Thomas - the Honourable Member for St. Thomas said in this House today that not one cent was spent in her constituency. The dispute between the Honourable Member for St. Thomas and the Ministry of Housing is that a few houses, because of the configuration of the constituency, instead of \$2.4 million being spent in her constituency, it turned out to be over \$2 million. And the Honourable Member gets up in here and tells people that no money was spent in her constituency. And the Honourable Member was written to by the Permanent Secretary in the Ministry of Housing correcting that. Yet still the Honourable Member comes to this House with that [Inaudible.]. But you know, Mr. Speaker, it is all part of the agenda.

Mr. SPEAKER: Honourable Member, please withdraw the word about fabrication. You cannot do that. Sorry, sorry, sorry. My apologies. Honourable Member.

Hon. D. St.E. KELLMAN: You should know when you have misled the House.

Mr. SPEAKER: Honourable Member for St. Lucy, please be careful. You see where you are. You are on your feet. I cannot accept anything you say as an aside because we are going to record. So you cannot tell a Member about misleading the House either.

Hon. D. St.E. KELLMAN: Mr. Speaker, on the whole issue of housing and housing estates in this country and what should happen, whether they should be sold or whether it should be given, it dates as far as the year 1963, Mr. Speaker, as a parliamentary issue. But prior to that, the Democratic Labour Party as far back as the 1960s, prior to the 1961 campaign, had always made the point that the persons living in those houses are entitled to buy those houses. And by 1963, after winning in 1961, Mr. Speaker, the first thing that they did was to ensure that they put that in place in 1963. And by 1965, one of the areas that they ensured that the persons were allowed to get those houses were places like Long Gap, etc.

When they lost government in 1987, a decision was also again taken by the National Housing Corporation Board to divest themselves of those houses to the persons, because they felt so strongly that those houses should be in the possession of the persons so that they can own them and use them as collateral. The Barbados Labour Party during 1994 and 1999 put it in their manifesto that they were going to sell those houses to the persons. Mr. Speaker, in 2003 the Barbados Labour Party produced a cabinet paper to sell those houses to persons. And Mr. Speaker, in that cabinet paper they cited the decision of the Democratic Labour Party in 1963, the decision in 1965 and the substantiation of the decision of the National Housing Corporation in 1987. And that was the cabinet paper of the Barbados Labour Party. When they put their position to divest the houses, they used those three dates of the Democratic Labour Party to substantiate the sale of those units to persons. So if anybody wants to know the history, that is the history.

But Mr. Speaker, I am saying that we in the Democratic Labour Party were committed to the policy of the right answer - Errol Walton Barrow - believing that those persons had to be empowered, and not only believing in it, but as I said, by 1963 he was before cabinet making the point, and by 1963 he was actually doing it. And you could go and investigate this in places like Kits, etc.

The point I also want to make, Mr. Speaker, is that we are not taking any piecemeal approach to this. We are

taking this project and we are turning it into a capital project where we will ensure that we deliver to all those persons that we promised the properties to. But we will ensure that the expenditure and the financing will be covered by ensuring that we make it into a capital project. If the Barbados Labour Party have a problem with that, that is up to them. But we have a commitment as far back as I said in 1963, because we understand, Mr. Speaker, that once we have passed these conveyances to the persons, they have not only, Mr. Speaker, a unit but they have a piece of collateral that they can take to the bank and also empower their children, because they have a negotiable instrument to empower not only themselves but their families. And that is why it is going to cost as much as \$34 million or thereabout. And we are prepared to ensure that we get those funds and to deliver to the people of Barbados, because we understand the importance of housing and the importance of owning a piece of land in this country. And all those who want to get angry and get vexed on the other side, they can, but we are not stopping there.

I have also asked the officers within the Ministry of Housing and Lands that we should hire a lawyer to complete something that was started by the Barbados Labour Party in 1981 under the Plantation Tenantry Act. Because when one looks and sees what has happened with the Plantation Tenantry Act, there has been a lot of sweet talk. But we have not really empowered the people. Because there are a large number of persons who are entitled to own the land who have not owned the land. And there is a dispute between some lawyers who believe that the fees are not enough for them to work. And I say if that is the problem, we can have a lawyer looking after the sale and one looking after the purchase. Because the most important thing is to get those persons aligned and the conveyances in the hands of the people. And once we have done that - we have done the units which can be over nearly 3 000 - then there are thousands and thousands of lots to be done on the Plantation Tenantry Act. It means that we would have been empowering over 11 000 people and being able to allow people to have over 11 000 conveyances in their hands and empower people. So we are not about talk, we are about action.

Another thing that we are doing - we are not going to allow contractors to believe that they are the only ones who can build in this country. Because what we are doing, we are running a parallel housing programme where you allow the large contractors and other contractors to have the opportunity to build. And at the same time you put enough lots out there so that the individual artisans in the district are able to get work. So when the large contractors are getting work, the artisans who are normally self-employed will also be able to get work. And we are looking again to build back communities. And that is why I have asked

them to acquire the whole set of land at Lowlands in St. Lucy.

And I heard the Honourable Member for St. George South also speaking today about how we are not doing anything about those children out there and how we have to create opportunities. The Honourable Member was in here when I brought the resolution to acquire the land at Nestfield for the Northern College. And the Honourable Member should have known also that the land I hope is supposed to be for an agricultural school. And also part of that land is supposed to be used for the Youth Service, the Bellairs. Because we understand the importance of agriculture and those things as it relates to the economy. So what we are doing, we are training people and ensuring that they have the hands-on approach.

And the Ministry of Housing - you know, people speak about synergies, but if there is one ministry that creates a lot of synergies, it is the Ministry of Housing, Lands and Rural Development. People see us only as being about rurals and only about houses. That is not true. We are the ministry that creates the land, etc. And we also create the synergies on the road to assist the Ministry of Agriculture, the Ministry of Industry, the Ministry of Culture, the Ministry of Tourism. Because community tourism, the incubator industries, must start with rural development. And that is exactly what we have been doing. Because we understand that if we are to capitalise on our tourism product, we cannot only look at the high flyers - we must create the enabling environment within these industries so that people will learn to creep and then walk and then run. And that is exactly what we are doing. Because we are not only looking at the high fliers, but we are also creating opportunities for the masses of people within Barbados.

And that is why it is very important for us to ensure that an area like Speightstown - and I keep telling people, as far back as 1994-95, when we passed the RDC Rural Development Commission Act, I made the point that if we are going to be capitalising on Speightstown as a town, we cannot concentrate on that small area called Speightstown, but we must build up from as far as Rose Hill, as far as Archer's Bay and as far as Gibbs. And then also look at the possibility of reclaiming some land to the west. Because everybody who knows would know that the water levels by the Esplanade are very low. And if we are to seriously tackle the problem in the north of Barbados, then it is very important not only to focus on that narrow area, but to build around it and then come in and join up. It is happening. If you go to Mile and Quarter today, you will see it happening. If you go to the north, you will see it happening. If you go to River View, you will see it happening. The only thing that has to be done now is that infrastructure to the west. And once you combine all, you have an expanded Speightstown. So do not worry, it is

happening in the north. And those who are blind will not be able to see. But those who are proactive will understand what is happening.

So, Mr. Speaker, I want to say that we also have to understand that this government is so proactive that we have recognised that as it stands right now, tourism is the main industry at this point in time, and with our plans - that is why we were so proactive that we went to Nestfield and acquired the land. Because we understand that we have to train people. We cannot afford to be building out the tourism industry and not react to what is going to happen in the future. So we have been very futuristic and we have been appreciative of how we have to do it. And we are not going to make the mistake of building out the tourism industry, building out the renewable energy industry, and not having people in Barbados to do it. We are not going to allow Barbados to stand idle while work is being created and then have to invite people to come and do the work in Barbados. And this government has been very creative and proactive, and that is why we are planning the things the way we have planned them and that is why we are going forward.

Yes, no one can argue that there was a little pain, but now you can see why and the reason why. But the important thing is for the people to keep faith with the government. Because as you can see now, as the projects start to roll out, it means that all those who shared in the pain will share in the benefit. And that is why we are preparing the people of Barbados to ensure that the deliverables - they are able to share in them. And that is why we are not only going to be looking at the top; we will continue to build the foundation. Because everybody knows that if you want to have a proper structure you must build the foundation. And that is exactly what we are doing.

Yes, there are people who will make you believe that everybody in Barbados is suffering. And there are people who are living well, doing everything that is needed, but yet they are belly-aching and giving the impression. And there are people who repeat it. They go on the call-in programmes and they give the impression that Barbados is burning down. But Barbados is not burning down. Barbados is on its way up. The structure is right, the walls are prepared and we are not only putting on the roof. I want to apologise to all those who fell through the crack. But the important thing - history would have shown that every time there is a crisis anywhere in the world, there are some that will suffer. But if it is done right, those people will be rewarded when everything is completed.

And I am saying that we have acquired the land at Sam Lord's. The Section 6 notice has been completed. As you know, we are also building the hotel. We also have beaches coming. As you drive the west coast of Barbados

you can see a lot of work going on. As you traverse Welches and St. Thomas you can see activity. No matter where you are going in Barbados, it is now that you are seeing activity occurring. And once that type of work starts, it means the trickle-down approach will happen.

And I have heard a lot of people belly-aching. I have warned Barbadians - it does not make sense for us to brag that we have \$9 billion in the bank and then go around giving the impression that we are a country that is bankrupt. \$9 billion in the bank - bring out some. Why keep \$9 billion in the bank and then watch other people come and spend their money and achieve, and then complain? But if you mind the opposition, you will keep the money in the bank and you might buy the bank for 2 per cent. I did a visit to Valerie a couple of weeks ago. And a young man came to me. He said to me, you know, I heard you making a point on the floor of the House, and I took your advice. He said, I only took \$3 000 out. And I want you to know that in this short space of time, I have a return greater than the \$3 000. There is no way I would have achieved that if I had kept that money in the bank. But there are many opportunities in Barbados. One must be prepared to use the opportunities and stop allowing people to mislead them. And the biggest problem in Barbados is that we always follow other people before using our own initiatives. And I am saying that we must understand that Barbados belongs to us. And that if we are going to criticise, the first thing we have to do is do something productive first. Because if you have not done anything productive, or if you have not tried to correct a problem, then you should not criticise it. Because the only way you would know how to criticise something is by trying to tackle it first. And that is the problem. Everybody in Barbados wants to criticise, but nobody wants to correct anything. Everybody can tell you what must be done for Barbados, but nobody wants to put their hands to the plough to do it. And I am saying that this negative approach will not help Barbados. Because if we continue to allow persons to come in and reap all these benefits, where will we stand? Is it that we want to remain labourers all our days? And I say no - we have a golden opportunity to be owners. A golden opportunity not to remain poor, like how the Honourable Member for St. Thomas would like to see them. Because, as you know, she said that she went to Lancaster and the only thing she saw at Lancaster were black belly sheep. I met the Sunday after - I saw human beings, I saw black people out there, and I saw children. I did not see any black belly sheep. So if the Honourable Member believes that that is how she used to describe people in Barbados - as black belly sheep - that is up to her.

But I am saying, Mr. Speaker, you know the Honourable Member for St. James North is the best. You know, the Honourable Member for St. James North was elected to this House. He had a constituency for two years and did not know that I had people suffering in his

constituency for 30-something years in an old house. When the Honourable Member for St. Peter - the first constituency that had a Minister for Rural Development - was St. James North. But the honour goes to the newspaper. There was a big article saying that the Minister for St. Lucy was neglecting these old people, when the Honourable Member with a cavalier constituency had ministers already and did nothing about it. All the Honourable Member could do is blame people.

Mr. SPEAKER: You have five minutes.

Hon. D. St.E. KELLMAN: So, Mr. Speaker, let them come one by one. I will deal with them. So, Mr. Speaker, what I am saying is that we have to understand that we have to deal - I know the Honourable Member for the City is not going to get involved in this debate because he understands the amount of work that has to be done in his constituency and he is very happy to see the number of lands being acquired, etc. But Mr. Speaker, what I am saying is that we must continue to do projects, whether it be the Grotto, whether we hold sports - and we have to be very careful. We have to ensure that we maximise the returns of the land.

You know, a lot of people keep asking about subsidies for poor people and houses for poor people, and in the next breath they speak about the deficit at the NHC. But you cannot speak about a deficit at the NHC and then expect the NHC to administer and deliver house spots and low-income houses when there is no money. You must create money to be able to continue to have these subsidies for the masses of people in Barbados. And that is exactly what we have been doing. We have been identifying lands that have high returns so that we could continue to subsidise those to the poor. And we will continue to do it all the time because we understand our commitment to the masses of people in Barbados. And we also understand, Mr. Speaker, that the NHC has a balance sheet and that balance sheet must also be protected. We must empower the NHC to have deliverables to the masses of people in Barbados.

And you know, Mr. Speaker, when we make major decisions, sometimes people criticise and people who should know better sometimes also come into this House and give the impression that ministers are making decisions in their own interests. But let me say this - I make decisions in the interest of Barbados. And I am prepared, with the little authority vested in me by the cabinet and the Prime Minister of this country, to make decisions to ensure that this country is carried forward. This minister is prepared to ensure that all those troubled areas in housing will be dealt with and be dealt with swiftly. We came and we found many problems within housing and we have been quietly dealing with them. Quietly. And every time you come to this House you hear all sorts of talk, or you listen to call-in

programmes. You hear moderators that have never solved a problem in their life and can only know how to create or make polls. I always know that when you are going to conduct a poll, you conduct that poll in the field - not in anybody's house. Especially when in that house there is a person who will benefit from your decision. And moderators have to be very careful how they go around attacking ministers and members of Parliament, when everybody knows that they are very good at creating content to suit the paymaster.

So, Mr. Speaker, one has to understand that we have to be very careful how we continue to allow persons to abuse the good name of Barbados and how we allow people to use the opportunity - instead of lifting up Barbados - to try to destroy the good name of Barbados. Look, free secondary education was given to this country as far back as 1962. We are now 53 years on. And anybody who wants to win anything in Barbados should not try to win it by going into the gutter. They should be prepared to win it by debating it. And I have observed that in this country it seems to me that people believe that the only way they can achieve something is by having a very negative, tear-down attitude. I want to challenge the opposition to show us the mettle they are made of and stop going into the gutter and offer some viable solutions so that we can solve the problems within this country. Although I must admit it is too late for them now to come to the solutions. Because it is obvious that this side has those solutions and that the solutions that we have proffered are working - the productive sectors are now performing the way we want. And we have to be very careful that we do not push it too quickly to overheat the economy or create an abundance of projects. What we need now to do - even though we want growth and we want economic activity - is to ensure that we plan our projects so as not to create bunching, and to also ensure that we have sustainability.

So, Mr. Speaker, not to worry - the house spots will come. The conveyances for the units will be there, and we will also be working on those house lots for those poor persons out there who had an opportunity as far back as 1981 and who have not been able to achieve it.

Even though we are not going to behave like the Barbersley party and say that we did not pass that. What we will say is that this is another measure for the masses of people of Barbados and we will correct it. So we will continue to ensure also that those large number of persons have - this is another matter we have to deal with. We have a lot of government land and there are a lot of people who would like to be self-employed. But we will also create the enabling environment for that to continue. But at the same time, you can't come in here and tell me that I must empower the masters and allow them to use government land and not create the enabling environment for persons who also want to come and invest to create economic

activity to provide foreign exchange. But yet still people will say to you, you have to, in good Beijing terms, jerk out their eyes.

Please wait. Honourable Member. Yes, please. If you have an investor and you have to look at the opportunity cost of the investment and you have to make that judgment, if that investor is working in the interest of the country, then we are obligated to work with that investor because that investor is working in the interest of the country. And it collides with what we are doing because once they are prepared to work with us, we should also work with them.

So, Mr. Speaker, I have no problems in supporting the matter before the House and I want to say, sir, I am happy to report progress. And all those who badmouth Barbados should now feel bad about it because all they did is try to frustrate the growth of the economy. But even though they have tried to frustrate the growth of the economy, we were able to ignore them, get past them. All the bad Moses and all the cursing, all the marching, all the sabotaging did not stop the economy of Barbados from ensuring progress. And I want to congratulate this Government for the wonderful job that they are doing.

Mr. SPEAKER: Yes, the Honourable Member for St. George North.

Mr. G. A. CLARKE: Mr. Speaker, I believe that the policy of the Democratic Party up to now in this debate seems to be: silence is golden. That they have decided that to speak in this debate is not worthy and that to keep quiet is very worthy. In fact, the Member for St. Lucy seems to be practising that type of policy. I believe that the Member for St. Lucy should have explained to this House, because there was a criticism today about the Ministry of Housing as far as it related to the loan - the loan that the Central Bank masters. And one has to ask if the Minister is aware of the Housing Credit Fund loan. The Housing Credit Fund loan which was established by the Right Honourable Prime Minister, the former Prime Minister. I am hopeful that he would have said something about that particular loan because it was this loan that helped thousands of poor, marginalised people to achieve homes. Yet the Minister has said very little in this debate on his ministry. And therefore I would want to say that we have to be very careful in using the Housing Credit Fund loan to honour -

Hon. D. St.E. KELLMAN: But the Honourable Member is misleading the House by telling the House and the whole world that this money is being used not for housing, which is not true. The Honourable Member knows that this - the Honourable Member who spoke said that the money is being used to pay - I don't know. No, no, no, no, no, no, no. It's not one individual. It's being paid - I heard that it's being used to pay for Grotto. That's what I heard.

So Grotto can be an individual? Grotto is over 80 units or thereabouts. So it can't be an individual. All right, point taken. Please continue.

Mr. G. A. CLARKE: We are seeing - and the Housing Credit Fund loan was set up as a revolving fund to help repay those persons who are low-income earners who would borrow money from the banks to repair their homes or purchase land and homes. It was not supposed to be paid to a single contractor. And that's the point. And we are saying that we have to be very careful unless the Minister can bring legislation to change it if they so desire. But nothing has been said by the Minister about that fund.

I also believe that the Minister is also Minister of Rural Development. He has said very little today about what is happening to small businesses in the rural sector. There are many people in St. Lucy who have sheep farming, chickens, goats, pigs, and they have relied heavily on the Rural Development Fund for loans to help them. The Minister has not said a single word about this.

Hon. D. St.E. KELLMAN: And I point out again that the Honourable Member is misleading the House. The Honourable Member knows that those three funds are being - that people are still borrowing from them on a daily basis. And I am surprised that the Honourable Member, who is always sending people to those funds, is saying that it is not happening. Thanks for the clarification.

Mr. SPEAKER: Please continue.

Mr. G. A. CLARKE: Mr. Speaker, I think the Minister believes in the dictum of the Democratic Party that silence is golden and therefore he is going to be silent on his ministry. They have said nothing, he has done nothing. And therefore I believe he will spend more time listening to what is happening. And I believe, Mr. Speaker, that the front bench of the Democratic Party has believed that silence is golden, but to do nothing is even more golden. And therefore they will say nothing in this debate about their ministry.

I am also saying, Mr. Speaker, that when you look at this debate today, we see very little about anything in this debate to help the marginalised. And I do not see anything. Yes -

Mr. SPEAKER: Honourable Member, Honourable Member. I think -

Rt. Hon. F. J. STUART: - it is misleading the House to give the impression that the Government is running away from participating in a debate. Let the record of this House show that the Government, through the Leader of Government Business in the House, communicated to the Officer that the Government was trying to get away from

the infertile practice of just doing one or two heads in the Estimates. It wanted to do about four or five or six heads in the Estimates this year. And therefore the Government was not going to take up the time doing second reading speeches. We wanted to do heads. The Opposition said it wants to do second reading speeches and we are co-operating with them, but we want to get to the heads so that the people of Barbados can hear how their money is being spent and why it is being spent in that way. So that is the policy.

Mr. SPEAKER: Yes, Honourable Member.

Mr. G. A. CLARKE: Mr. Speaker, the Honourable Prime Minister said that government is really trying to get away - get away from. Those are the words I heard in this debate. The government is getting away from. I don't know what it meant by getting away from, but I believe that it has been shown. And I have been watching the Prime Minister very carefully. We in this debate must watch the Prime Minister. The Prime Minister has a very awkward delivery but sometimes it works and we have to watch him very carefully.

I remember the Prime Minister and that side last election putting an old lady on the buses to tell Barbados that we were going to introduce Bushfire. And I remember saying to my party - and the Member for St. Peter is here - I said to him then, you have to look at that. That is a very tricky ad. And we have to be very careful. I am watching the Prime Minister very carefully in these debates. And I'm saying to you that we have to be very careful here.

Having said that, I am watching the government because we will hold the Prime Minister and the Cabinet and the ministries. We will draw them out. And we intend to draw them out in this debate.

Now, as I said before, I do not see anything in here for the marginalised. I do not see anything in here for the unemployed. Now, if the government can show me any programme here to help the unemployed, those persons who were sent home, I will sit down. Show me one programme in any ministry. Show me one programme in the Ministry of Health, the Ministry of Tourism, the Attorney General's Ministry, the Ministry of Public Works to employ the thousands of people that were sent home.

Now, the Honourable Prime Minister must tell us today if there is anything for small business, if there is anything for those professionals that the government have increased the fees every year they have to pay. People are suffering. There are many persons out there, I tell you, who cannot - for the very first time, I believe the Member who is looking after the Welfare Department should speak on this - because thousands of people are now going to that department for funeral grants to help pay for funerals. I had

many, for the very first time, Mr. Speaker. I had people who are now going to that ministry seeking help to pay their funeral expenses. This is a very serious thing. That is one thing Barbadians have always been accustomed to - to bury their dead. But today we have poverty on the increase.

And I want to hear from each minister what is happening in his ministry to reduce poverty. I don't want to hear that Silent Night. I don't want to hear anything about this. I want to hear what is happening in each ministry to reduce poverty. And I want to hear - because a question came to me just now. Somebody texted me and asked - told me, make sure you ask this question: how come government increase taxes? I got a text. Increase taxes, send home workers, increase the cost of living and expect poverty to be decreased. I mean, something is wrong. How can government increase taxes, send home workers, increase the cost of living and expect the country to be stabilised? We have a problem. We have a problem. We have a problem.

Now I want to say that the Minister of Housing has a perfect opportunity at this juncture to prove that he is really a solid minister. The Minister must bring legislation to protect all those homeowners out there who are suffering. The banks are causing people to leave their homes. I could call about three DLP supporters who will be faced with going to court within the next couple of weeks. And if not for the mercy of the judges, they will lose their homes. I am saying to you that the Minister of Housing must bring legislation to protect homeowners.

I have always heard that the one investment a man always treasures is his home. Prime Minister, a man treasures his home. He may have nothing else, but Barbadians love their homes. But do you know that the amount of letters lawyers are sending out to homeowners - it is serious - and the government must protect those persons. I want, and we will support it. I want the government to bring legislation to tell the banks, especially North American banks, that before you throw a person out of his home, at least give him a review of the loans. We can review the loans. And the government must protect homeowners.

And I'm telling you that this government, going to work day after day, must bring legislation. And if you want to use the Housing Credit Fund to help people like that, I believe that loan can be extended. Because you know something - that loan, Mr. Prime Minister, was started with US\$10 million, Mr. Speaker. Ten million. Today it has over \$200 million. It is one of the successes that we do not speak about. And the Governor of the Central Bank must not use it for anything other than to help protect homeowners. And that is what I am saying - that the Minister of Housing has a perfect opportunity to bring it to

Parliament to protect all those persons out there who are losing their only investment, and we will support it.

I want to say too that today we have to look carefully at what is happening in Barbados. We must not leave Barbados. I want to see Barbados succeed. And I do not feel any pride in hearing that the unemployment is 12 per cent, 12.3 per cent. I believe that we could do better. We have to be able to encourage our young people to be trained. Now I believe that the government has to put more funds in training. I have said so before. I have said that we have to be training for the export market. We have to train more policemen, we have to train more lawyers, we have to train more nurses. We have to train more professionals. The Ministry of Education must be tied up in training young people. And I want to hear what is happening in education when it comes to this head. What are you doing to train young people for the job market? Too many of our young people are suffering. Too many of our young people are reverting to crime.

I want to say to the House - a man came to me a couple of weeks ago. I managed to get a job under this administration for this man. I begged and it was requested. The man got a job as a watchman. The man went to work every day. He had to go up mostly nights at the clock. He cut his hair. He was a harasser - cut his hair. He went to church. He was supporting his children. Now after three years the man's job got laid off. He came to me and said to me, what do I do with my children now? He said he might have to go back doing crime. Now when you hear this sort of thing, what do you say? And these are things that are happening. I said to the man that he has to go and maybe do some agriculture because in my area is an agriculture belt. But the man said to me that it is hard work and if he is supposed to go back selling drugs, I have to now persuade this man to find employment in order to support his family.

Now it means - and I agree with what the Prime Minister said - the idea that we have to give Members of Parliament heavier allowances, I get that, because every day I had to go downstairs and support somebody from Christ Church. That is a fact of life. Lily called me and said to me, I have nothing at home for my family. That is a serious thing.

I have said, Mr. Speaker, that we have a high level of poverty and it is not comforting to me. I don't like it because I want to say to the government that I would like to see you reduce unemployment down to about 6 per cent, where we had it. And I feel good, and I don't feel that I am one of the persons who feel that unemployment might be high in order for me to win. I will always win my constituency. So I am worried about that and we will win. I want to see the government's programme in such a way that we reduce unemployment and that we stabilise this economy. It is in our interest to do so, and that is why I

want to see a programme to do the things to help the young people in this country. And I want every minister, when he gets up to speak, to tell us what programmes are there to help these people out there that are suffering, because we hear about it from time to time.

I want to spend some of my time on the Ministry of Agriculture and to say that I believe the minister is trying his best. The minister is trying his best and I want to support him in that. But I think he has a superior minister. There are two ministers in the Ministry of Agriculture - there is a superior minister. And maybe we can call him the boss man. Today the superior minister is the boss man, the Minister of Finance, and then there is the regular minister. Now the boss man is the man who negotiated the loan. So the boss man negotiated the loan and by fairness he has to decide who is spending. But the minister wants to get on with the job. But the boss man is saying, you have to spend this money in this particular way. Now there lies the problem. So the boss man decides the money must be spent for wages and salaries. The minister wants to spend it on field operations - he wanted to spend it to get the harvest going. So you have a problem between the boss man and the regular minister. You have a problem.

And that is why, for the very first time in living history, the sugar industry has not started here. If anyone had told me that the sugar industry would not have started by the beginning of Easter - you know what Easter is? Easter was when the mills were all running, only the factory winding down, people going home. In St. George, you heard the horn from Bulkeley, you heard the horn from Andrews. I live in a strategic way right here - both horns. And at halfway time - the halfway time is the Easter time. Do you realise the sugar factory has not started yet? Sugar cane has not started yet. So you have a situation where there is confusion in the Ministry of Agriculture because of these ministers' conflicting ideas. And therefore we cannot start before April. What will happen at this stage?

And you know, for the very first time I have seen Barbadians not burning the canes. And God has been very good to the Democratic Labour Party. Because you are having a lot of rain, which means that the crop is secure at this time. But you cannot go on and on indefinitely because there is conflict in the ministry, and it continues to be conflict because the independent farmers want a programme, the ministry wants another. The independent farmers say, look, we can support the harvest, but we can repair the factory at Porteville. The minister wants to build a new factory at \$250 million only to produce 13 000 tons of sugar. Now we have a problem. 13 000 tons of sugar is being produced this year - approximately the worst ever in the history of Barbados. But why would you want \$250 million - not Barbados dollars, US dollars - \$500 million that this government wants to put into a factory to produce 13 000 tonnes?

And you know something - when we look at this, I asked somebody to do a cost-benefit analysis for me. Do you realise it would take Barbados 200 years to pay back the loan? 200 years to pay back the loan. You will never be able to pay back the loan. The Prime Minister - you will never be able to, because the government must pay back that loan. The government will guarantee the loan, Mr. Speaker, and you have to pay it back because BAMC or the new board that was set up will not be able to pay back this loan. So I advise government - you need to look at what these independent farmers are saying. The independent farmers are saying, we know you are in a problem. Do not bring a factory rate. Even though a factory might be highly desirable, your factory may be highly desirable, but you don't have the resources. So why are you putting us into this position now? Now you have to watch that very carefully.

Now, I noticed that for the very first time the government is wrong again. And here you have confused the planters - the whole Belle, the best land - into river tamarind. This government. If anyone goes up into the Belle, Mr. Speaker - and the government plants are river tamarind. You know what River Tamarind is? Years ago when they had tobacco first - we had tobacco first, then tobacco was replaced by sugar, sugar replaced cotton and tobacco. I know River Tamarind is proposed to replace sugar in Barbados. For the very first time we have river tamarind replacing sugarcane in this country. Estate after estate is now being planted with river tamarind. Why are you planting river tamarind? I understand it is supposed to be used for fuel, but here it is - you may never get a factory. You may never get a factory. But you are planting river tamarind. River tamarind is going wild all over the place.

The best place to plant would be in St. Andrew and St. Lucy because it is hilly and more prone to keep the soil. But you cannot plant river tamarind in the St. George Valley. What is happening, Mr. Speaker, is that river tamarind is being planted in the Belle. And I understand they are going to the St. George Valley now to plant river tamarind. That is pure madness. And let us continue to say that we have problems in this ministry - not because of the minister, but because of the confusion. And we need to pull it out. I spoke about it before and we need to pull it out. I believe that we can do better in Barbados, Mr. Speaker. We can do better.

I want to say - I know that as Minister of Housing I spent my life really trying to get the IADB programme - the housing neighbourhood programme that will help to upgrade, in your constituency, Mr. Speaker, the Garden Land. And we have three neighbourhoods to be done. And I heard today from the Minister of Finance that the IADB programme is on the way. And I felt very hurt to know that the neighbourhood programme was scrapped. I believe we

need to negotiate it again because there is too much poverty, especially where home ownership is concerned. And we need to look at that programme again.

Mr. Speaker, I believe that we have to look carefully at what we are doing. We are not blaming anyone. But I feel the time has come for us to start putting Barbados first. You know, the Member for St. Peter always said to us, when you are in doubt, reverse. Reverse. I have always been as independent as I can be. I have always been and I always speak.

Members, all I am saying is that we have in this House to ask ourselves why we were elected. And he always said to us we were elected to stop poor people from being poor. I want this government to understand that all of us were elected to stop poor people from being poor. Mr. Speaker, I am obliged to you.

Mr. SPEAKER: Honourable Member for St. George North. Thank you.

Mr. E. G. HINKSON: Mr. Speaker, I first wish to intervene in this estimates debate by commending the contributions and the quality of speeches so far on this side of the House. These estimates, Mr. Speaker, are being presented to this Honourable House within the context of a Barbados which has shown negative economic growth or no growth at all, because a 0.3 per cent really is no growth over the last six years. Last year, in fact, Barbados continued to be one of the very few, if not the only country in this hemisphere, including in this region, which did not show an economic growth beyond 1 per cent. The average growth for Latin America and the Caribbean region was 1.3 per cent. The Sub-Saharan African economic growth, Mr. Speaker, was in the region of 5.1 per cent for last year. Our major trading partners showed growth. Mr. Speaker, as the Member for St. Michael North West said earlier, the United Kingdom showed growth of 2.9 per cent last year and the United States of America showed growth of 2.2 per cent. The United States of America right now - the unemployment rate is just over 5 per cent. Yet this Government continues to blame an international recession that concluded years ago for its failure to properly manage this economy and for the state of this society.

You know, Mr. Speaker - I remember misleading the House. Only in January this year did President Obama stand up and tell Americans and the world that the financial crisis is now over. Only in July last year did the British get their economy back to where it was in the year 2007.

AN HON. MEMBER: So the Honourable Member is misleading the House.

Mr. E. G. HINKSON: Yes, thanks for the explanation, Mr. Speaker. You know, I don't know why the

Right Honourable Prime Minister - I want a few people who he intervenes with when I'm speaking. You know, Joseph Goebbels, the German Minister of Propaganda during World War II, is quoted as saying that if fiction is repeated long enough, it becomes a fact.

And you know, the Right Honourable Prime Minister is master at that kind of language. If fiction is repeated long enough, it becomes a fact. So by repeating this international recession and blaming everything on that - when the people of Barbados elected the Democratic Labour Party to govern - is really and truly a total disgrace and a disservice to the adult suffrage principle that was brought in by this great party.

The Minister of Finance this morning made a statement that the economy is turning around. Well, I don't believe that the 3 500 people who lost their jobs in the public sector of this country within the last 18 months believe that the economy is turning around. The vast majority of those 3 500 people remain unemployed. Their employment benefits, if they got them in the first place, expired now six to ten months ago, depending on at what stage they were made redundant. The over 16 000 people who have lost their jobs in the private sector within the last three or four years - 16 000 plus - again, the majority of whom have not been able to find a job in this recession, again don't know that this economy is turning around.

The official unemployment statistics in this country - and this is official, because I believe it is higher, certainly in my constituency - are now double what they were in January 2008 when the Barbados Labour Party demitted office. The foreign reserves of this country now stand at just over a billion dollars, even though they have been buttressed by a loan of \$450 million by Credit [Inaudible.] a few months ago. Senior citizens of this country whose electricity bills were being paid three or four years ago by a department under the Ministry of Social Care, but whose electricity bills are no longer being paid, don't know that this economy is turning around. Persons who since November last year can't get their National Insurance disability benefits, their maternity benefits, their old age pension, don't know that this economy is being turned around - being given a lame excuse about computers and changeover. But they've been hearing that excuse now for months.

And I must say the Honourable Minister of Education was correct in his assessment. The only thing is he put the blame in the wrong place. In this country, under the system which we operate, there is ministerial responsibility - not the managers. You blame the Minister, and he ought to know that. The students who have opted out of the University of the West Indies, or who were not able to enter the University of the West Indies in the first place, don't know that this economy has turned around.

And I look forward to the debate on education later on this week.

Persons who would like a housing solution that was promised to them don't know that the economy is being turned around. In the last two years, since the last general election, I don't believe that 50 housing solutions have been provided under the mandate of the Minister of Housing through the NHC. Don't believe that 50. A few have come on stream in Lancaster - the phase closer - but still there is phase one, nobody occupied. Still there is Paris Land, St. Philip, with a dishonourable dispute in the media between the Minister of Housing and the Minister of Environment as to who is to blame - the Minister of Housing saying that the Ministry of Environment has not approved the proposed sewerage system, and that is the reason, with the Honourable Minister of the Environment disputing that.

You know, the parents of the children at the Learning Centre, of whom I spoke about last week, don't know that. And I must say, Mr. Speaker, I must inform this Honourable House and the public of Barbados that within 42 hours of me speaking on that issue in this Parliament last week - Tuesday - the Learning Centre was given \$100 000 in subvention. Now if I didn't raise the issue, that would not have been so. But they still don't have the bursaries, and the Minister of Education in his chair said that what I said was not true. The principal of the Learning Centre came and said that exactly everything I said in this Parliament last week on the issue was correct. That was justified. At least they got \$100 000 and they could work with that, even though the bursaries are still missing.

My constituents in St. James North who are still affected by flooding when there are ten minutes of heavy downpour of rain, and whose roads in the districts remain in serious disrepair in spite of the fact that I have written numerous letters to the Ministry of Transport, to the Ministry of Environment on these issues - petitions sent to the Ministry of Environment on flooding in Sion Hill - they don't know that this economy is being turned around, because there seems to be no money to solve these issues.

Those persons, Mr. Speaker, who have been burdened with a municipal solid waste tax - the most onerous and the most unjust tax ever passed in this Parliament since the coming into effect of black majority rule - don't know that the economy is turning around. And that tax was passed, Mr. Speaker, after the Minister of Finance said - not in this Parliament, but in January last year - that he promised that more taxation would not be part of the solution at this time. But still, two months after, he went on to table the municipal solid waste tax and to have the same passed in this Parliament.

Those thousands of persons who can't get back their income tax returns for almost 11 months now - almost a year in fact - don't know that this economy is turning around. Those are real people, Mr. Speaker - we aren't dealing with statistics now. Those are real people who annually use their income tax returns to do something: improve the house, pay some other kind of tax, house insurance, some bill. Can't get it back. Promises still being made - this time that you'll get it back by June, and June is a whole three months away, after the income tax returns for this year have already gone in.

Those working poor who can't get back the reverse tax credit don't know that the economy is turning around. The reverse tax credit, if you get it back, is being paid a year later than it is due. And the welfare budget of the Ministry of Social Care has been cut, as the Honourable Leader of the Opposition said, by a whole 20 per cent over the last three years - from \$22 million to \$18 million.

Lo and behold, Mr. Speaker, the 30 000 CLICO policy holders who have been promised for years now by the Right Honourable Prime Minister, by the Minister of Finance, by the Central Bank Governor, that they will get back a return of their principal - they don't know that the economy has turned around or is turning around either. A disgrace. A stain on the character of Barbados and on the governance of this country.

Those public servants, Mr. Speaker, who are lucky to still have a job, who have not received a salary increase in five years, don't know that the economy is turning around. But they have been saddled with all kinds of increased taxes. The cost of living, which was supposed to be the priority of this Government, has increased by 30 per cent since the Democratic Labour Party came into office. Yet no salary increase for the last five years.

Health. The health of a nation is the wealth of a nation. People who go to the QEH, or those who will have to go to the QEH unfortunately tonight and who will be turned back due to lack of supplies, don't know that the economy is being turned around. This Parliament and this country were promised in June last year by the Honourable Minister of Health that the Queen Elizabeth Hospital would get \$2 million immediately - while he was speaking it was being given - and then another \$20 million within five or ten days. And three or four months after that, still not having received the \$22 million. Mr. Speaker, in this Parliament again the Minister of Health in December promised \$25 million, and still up to last week - four. Four stakeholders in the health service of this country complaining of lack of funding of the Queen Elizabeth Hospital and of the health sector of this country.

The dismissed workers from the National Conservation Commission who were promised that within

five days after May 27th or 28th last year their cases would be heard and dealt with, and who have up to now received not five cents in either severance or redundancy pay - nothing at all, at all, at all - they don't know that this economy is turning around either. Government totally mishandling a situation, totally allowing a ministry headed by a Minister of the Environment and a statutory corporation under his control to seriously mishandle the situation and to breach the principle of last in, first out.

The 500 National Environmental Enhancement Programme employees who were callously and unceremoniously dismissed on the last day of 2013 - you imagine starting a year having lost your job the day before - they don't know that the economy is turning around either. The Right Honourable Prime Minister himself having said that matter was very, very badly handled. I agree with him on that one.

The constituents of St. John, whose polyclinic remains unfinished after seven years of DLP government, as the Honourable Member for St. John said, don't know that the economy has turned around, that money can be found to finish the polyclinic.

You know, Mr. Speaker, the situation - the sad situation - is that this Democratic Labour Party Government has become a burden to the people of this country. The Rural Development Commission, which oversees my constituency, is unable to deliver. They will tell you straight: they have no money. All it is now is an employment bureau. No money to do anything - to repair any person with disabilities' home, any old person's home; can't put a street light, can't repair a road, no money whatsoever. Same thing with the Urban Development Commission, unable to continue its funding of the transfer of tenancies programme. The employees of those two commissions are on edge from month to month, not knowing whether they would have a job the next month. The Honourable Minister of Finance telling you that he is going to rationalise these corporations, but they are in the same position as many other Government workers, including those at the port - not knowing when the day of reckoning will come, when the gavel will be knocked on the table and they will no longer have a job. But yet we hear that an economy is turning around.

You know, the whole issue relates to a continuing lack of confidence in the words and in the actions of this Government - particularly in the words and actions of the Right Honourable Prime Minister, sad to say, and in his Minister of Finance. You know, the projects that have been continuously announced in this Parliament and in other places for the last two years have not come on stream. Four Seasons still remains unfinished. The marine pier head not done. Numerous projects not coming on stream yet to catalyse the construction industry in this country.

The workers having lost their jobs, having been told by the Democratic Labour Party Government - including by the Prime Minister - that not one public servant will lose their job. The Prime Minister himself saying at a meeting in St. Philip in mid-October 2013 that that would be a recipe for disaster. Those were his words, and he was correct on that - that the dismissal of public servants would be a recipe for disaster. Yet in spite of that, within two months the Minister of Finance in this Parliament in a ministerial statement spoke about laying off 3 000 public workers and proceeded to do the same.

But then again, we have a Prime Minister who, as the Honourable Leader of the Opposition said earlier, called the international credit ratings assessments of Barbados' economy rubbish. But yet that rubbish - those assessments - are costing Barbados, I believe, \$6.75 million in additional interest rates every six months. Yet that rubbish has resulted, to a large extent if not totally, in one of the major Sagicor headquarters making a decision to leave Barbados.

With the Honourable Member for St. Lucy adding to the fury - and not understanding the situation which he first enunciated before a handful of people in my constituency at a branch meeting. A handful of people and two dogs. That is all they got at the meeting. But then he repeated it. You know, if you thought that he had a moment of insanity, then he went on radio two days after and repeated this political nonsense, rather than accepting the blame of his Government.

This Government has led Barbadians to a pathway of poverty. All the economic strategies that it has tried - and it has tried at least four over the last 19 months - have failed. You had first a budget in August 2013. You had a December 2013 ministerial statement. In spite of all of that, the Government is still broke. In spite of all of that, it still has a major credibility problem. In spite of all of that, the country is in serious disrepair. There is a lack of accountability in this Government, and that is sad. In an era where transparency and accountability in terms of governance is improving, there is a lack of accountability in this Government.

There is a Prime Minister - the Right Honourable Prime Minister - who has failed to lead, who has failed to communicate to this country. But the public is discovering why the Right Honourable Prime Minister doesn't speak so much. Because, Mr. Speaker, with respect, his defence of an elected Democratic Labour Party Member of Parliament on the issue which came to public light - withholding unreasonably funds for an unreasonably long time and only paying the same after a court judgment and after it came to public light - was a national disgrace. And saying that this happens, giving the impression this is something that regularly happens to lawyers - you know, I have been

practising law in this country for 30 years. Never once has any client of mine written the Bar Association on a complaint. So this doesn't happen to lawyers. Let him speak for himself. The Right Honourable Prime Minister said he had been in that position where clients have written the Bar Association. Let him speak for himself. Don't let him bring decent, law-abiding lawyers into this picture. That statement was a national disgrace and an insult even to those Democratic Labour Party members and supporters who have had their money over time unreasonably withheld by members of the legal profession. He insulted his own supporters and members when he made that statement.

There is spiritual wickedness in high places in this country, Mr. Speaker. This whole affair - the whole CLICO affair. \$3.3 million. A false invoice, according to the report, drummed up by a particular law firm headed by the then Prime Minister of this country, to give his client - his pal and the pal of the now present Prime Minister - \$2.8 million. When CLICO policy holders can't get their money.

Speaker. Barbados has become the laughing stock of this world over this whole CLO matter and these whole infelicities that touch the highest form of government, the highest level of government in this country. That the DLP fatted calf must be protected whatever happens. That is it. That the DLP - that their position and their survival must come before the survival of this country. That comes first - party paramount. You know, Aristotle, the Greek philosopher born in 384 before Christ, said that at his best man is the noblest of animals; separated from law and justice, he is the worst. This Democratic Labour Party government is the worst government ever since adult suffrage in this country. The attempt to cover up this CLICO report and the going to court - the attempt by government to stop this report being made public - goes against all the principles of transparency that this Democratic Labour Party government came into office, you know, Mr. Speaker, in 2008 based on. And it is a total and national disgrace.

You know, Mr. Speaker, the Honourable Minister of Social Care a few weeks ago made a statement that this government - his government - has done more in seven years than the Barbados Labour Party did in 14. The only thing, Mr. Speaker, he left out was a word: harm. This government has done more harm in seven years than the Barbados Labour Party government did in 14.

And what is decay, Mr. Speaker, is the excessive legal fees that a handful of Democratic Labour Party lawyers - and those associated by family or friendship or politically with Democratic Labour Party ministers - have been allowed to charge and to be paid in this country: legal fees of \$1.6 million, legal fees of \$900 000, legal fees of a

quarter of a million. One that was publicised a few months ago. And yet ministers, including the Minister of Environment, not taking a role. No one telling the statutory corporations involved - whether it is the NCC, whether it is BIDC, whether it is the Barbados Water Authority - to send the matter before the Cause Committee of the Bar Association. The Attorney General, who is supposed to be the principal legal adviser to the government, not having the resolve to advise the ministries that that should be done. You know, these legal fees, when combined - by this handful of members of the DLP fatted calf in the legal profession -

Mr. SPEAKER: You now have five minutes in which to wind up.

Mr. E. G. HINKSON: Yes, sir. Yes, sir. I appreciate that. Including by one who is now chairman of a tribunal that has been unable to get off the ground for two years now - you know, that is a disgrace. And you know, if all of these combined legal fees had not been paid and the proper legal fee had been paid under the scale of fees, or if the matter had been sent to the Cause Committee of the Bar Association as it should have been done, you know, Mr. Speaker, how many thousands of people could have been employed in this country still? Or how many thousands of people could have had a meal tonight rather than their parents going to the store today and buying only enough for tomorrow because they do not have any more money in their pocket? Or how many more people, Mr. Speaker, could have had their mortgages paid, or the rent paid, or the electricity bills paid - or would have been able to feed their children?

You know, Mr. Speaker, I happened to be in a St. Michael constituency at the start of the school year in September. And I saw two young fellows who should have been at school pitching marbles on the Thursday when the term started - the Monday or Tuesday, depending on what school you go to. When I asked those two boys - one 13, one 18 - in a St. Michael constituency represented by the Democratic Labour Party in this House, in an area that is traditionally a DLP stronghold - when I asked the two of them why they were not in school, their response to me was: "My parents ain't got the money yet to buy my school shoes. They are hoping to get it by the weekend." Another one: "I got the school bag to go to school - I am hoping to get it." Do not drive me to name the constituency. That is what is going on in Barbados right now.

But you have a Democratic Labour Party cabinet and their fatted calf - their consultants who still get their money and their pay - gleeing themselves falsely about the economy turning around, when there has been total decay of the social and economic fabric of this country. These Estimates, Mr. Speaker, are a sham. They are an attempt to cover up ministerial incompetence, ineptitude and failure.

They totally ignore the principle - let the welfare of the people be the ultimate law - said by Cicero, the lawyer, politician and orator, many years ago. I am obliged to you, Mr. Speaker.

SUSPENSION

Mr. SPEAKER: Yes, Honourable Member.

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that the sitting be suspended until 9.00 tomorrow morning. Speaking on the suspension, Mr. Speaker, I just want to remind members that the sitting starts immediately at 9.00. As it is only a suspension and not an adjournment, properly at 9 o'clock the Government Business will continue with consideration of Order Number 17. I want the Opposition to note that very, very carefully. Thank you, Mr. Speaker.

The question that the House be suspended until 9.00 a.m. on Tuesday, March 17, 2015 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

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

FORDE, Miss C. Y. (St. Thomas)

HINKSON, Mr. E. G. (St. James North)

KELLMAN, Hon. D. St.E. (St. Lucy)

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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 source does not record the PRESENT list or the officiant at Prayers; the prayer itself is not reproduced. The Members listed are those identified from the record; the time of meeting, 10.00 a.m., is as stated in the source. Please supply from the Votes and Proceedings.

Q2. Throughout. The bracketed time-checks in the source are out of sequence (for example '[12.30 a.m.]' to '[02.00 a.m.]' during the Minister's morning speech, and '[12.30 p.m.]' to '[2.30 p.m.]' after the resumption at 4.25 p.m.) and have been omitted.

Q3. Throughout. In the source the words 'I beg to second' close the mover's own motion on the Minutes and on the luncheon suspension. They are printed here as a separate seconding under AN HON. MEMBER; the seconders are not identified. Please confirm.

Q4. Minutes. Mr. SPEAKER refers to the minutes of the meeting 'held on Monday, March 10th' and then to the minutes 'of Tuesday, March 10th'. March 10, 2015 was a Tuesday. The words are printed as spoken.

Q5. Order No. 17, Mr. SPEAKER. The call before the Minister of Finance's speech reads 'Yes, Honourable Member for [Inaudible.]' in the source.

Q6. Suspensions. The source records the first suspension as '[THE SITTING WAS SUSPENDED AT [Inaudible.] P.M.]'. The second motion is recorded only as 'This House be suspended until 25 past 4 this evening', and the closing line reads '[THE SITTING WAS SUSPENDED AT 4.25 P.M.]', the time to which the House was suspended. Please confirm the times.

Q7. Resumption, Madam Deputy Speaker. After Mr. SPEAKER resumed the sitting the source has a line headed MADAM DEPUTY SPEAKER reading 'Madam Deputy Speaker, please. It honourable -'. The Leader of the Opposition then addresses Madam Deputy Speaker throughout. The line is printed as 'Madam DEPUTY SPEAKER took the Chair'; the call of the Member is not recorded. Please confirm.

Q8. Order No. 17, Hon. Miss M. A. Mottley. Part 2 of the source ends in the middle of the speech ('How can it be that -') and Part 3 begins 'That's the only thing that

they've succeeded.' Part of the speech may be missing at this point. Please check against the recording.

Q9. Order No. 17, Mr. D. G. Sutherland. The source reads 'as the Honourable Member for St. Michael North said, under the NIS scheme, money belongs to the people of this country'. The point was made earlier by the Leader of the Opposition, Member for St. Michael North East, whom Mr. Sutherland had complimented at the start of his speech; the Member for St. Michael North did not speak. Corrected to St. Michael North East.

Q10. Order No. 17, Miss C. Y. Forde. The words 'I note with interest that -' appear at the end of Mr. SPEAKER's call in the source and are joined to the opening of Miss Forde's speech. The words 'Your time has expired. Please wind up.' at the start of her last passage are printed under Mr. SPEAKER. She refers to 'The Honourable Member for Christ Church West - he seems to be in love with me ... as a minister', after speaking of the Minister of Culture; the Member for Christ Church West in 2015 was Dr. M. M. Agard, an Opposition Member, so the constituency is corrected to Christ Church West Central (Hon. S. A. Lashley, Minister of Culture, Sports and Youth). Please confirm.

Q11. Order No. 17, Hon. D. St.E. Kellman. The words 'of the agenda' at the start of Mr. SPEAKER's intervention complete the Minister's sentence and are restored to it. The word Mr. SPEAKER asked to be withdrawn ('the word about fabrication') is given in the source as '[Inaudible.]'. The line 'Hon. Member: You have five minutes, Mr. [Speaker].' is printed under Mr. SPEAKER as 'You have five minutes.' Please confirm.

Q12. Order No. 17, Mr. E. G. Hinkson. No call from the Chair is recorded for Mr. Hinkson; the preceding line, 'Honourable Member for St. George North. Thank you.', closes the speech of Mr. G. A. Clarke. The interjection 'So the Honourable Member is misleading the House.' is headed 'SPEAKER UNCERTAIN - REVIEW' in the source and is printed under AN HON. MEMBER; Mr. Hinkson then refers to interventions by the Prime Minister. Please identify the Member. The words '- including by -' at the start of Mr. SPEAKER's warning repeat Mr. Hinkson's words and are omitted.

Q13. Close of sitting. The sitting was suspended, not adjourned, until 9.00 a.m. on Tuesday, March 17, 2015, when Order No. 17 was to continue; there is therefore no ADJOURNMENT in this report. The date is supplied from Hon. J. D. E. Boyce's motion 'until 9.00 tomorrow morning'.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met at 10.00 a.m. on Monday, March 16, 2015, with Mr. SPEAKER presiding. After Prayers the Minutes of March 10 were deferred and Standing Orders were suspended. Under Order No. 17 the Minister of Finance and Economic Affairs, Hon. C. P. Sinckler, moved the second reading of the Appropriation Bill, 2015, with the Estimates for 2015-16. Reviewing the 19-month adjustment programme, he said stability had returned to the foreign exchange market, the economy had grown by 0.3 per cent in 2014 against an expected decline of at least 1 per cent, inflation stood at 1.9 per cent and unemployment averaged around 12.3 per cent. Central Government debt was \$11 344.8 million at January 2015, about 132.6 per cent of GDP, and the 2014-15 deficit was expected to be \$604.1 million or 7.2 per cent of GDP. For 2015-16 he projected a deficit of \$535.3 million on an accrual basis, or 6 per cent of GDP, spoke of full accrual accounting, a new Procurement Act and the reform of state-owned enterprises, and denied a rumour that gratuities and pensions would be taxed. Hon. J. D. E. Boyce seconded, and the House was suspended until 2.15 p.m.

On the resumption, with Madam DEPUTY SPEAKER in the Chair, the Leader of the Opposition, Hon. Miss M. A. Mottley, said the programme had aimed at a deficit of \$237 million or 2.8 per cent of GDP, that reserves were \$100 million lower in spite of borrowing of \$450 million, and that debt had risen by almost \$6.5 billion in seven years, or \$15 million a week. She spoke of the 3 000 people sent home, unpaid suppliers and shortages at the Queen Elizabeth Hospital, the Central Bank's holding of \$610 million in treasury bills and the position of CLICO policyholders, called for the refinancing of debt and the

restoration of investment grade, and said the Opposition found it difficult to support the Estimates. The House was suspended until 4.25 p.m.

Mr. D. G. Sutherland then spoke on Head 76, saying the National Insurance unemployment fund had received only \$6.5 million of the \$12.5 million agreed by Cabinet and that 60 per cent of the Scheme's assets were in government paper. On a point of order by Hon. D. St.E. Kellman, Mr. SPEAKER ruled that second reading speeches should concentrate on general policy but that a Member might speak on a Head generally. Miss C. Y. Forde gave the Government a failing grade against its 2013 manifesto, citing poverty, breakfast clubs and the unfinished St. John polyclinic. Miss S. J. O. Bradshaw remarked on the silence of Government Members and said the Prevention of Corruption legislation had not been proclaimed.

Hon. D. St.E. Kellman replied that the buildings at Warrens had been built by the National Insurance Department and leased to his Ministry, and traced housing policy to 1963; Mr. SPEAKER cautioned him against telling a Member that he had misled the House. Mr. G. A. Clarke spoke on the Housing Credit Fund, the delayed sugar crop and the planting of river tamarind. The Prime Minister, Rt. Hon. F. J. Stuart, said the Government preferred to debate four, five or six Heads rather than take up time with second reading speeches. Mr. E. G. Hinkson spoke of 3 500 public sector and over 16 000 private sector job losses, the 30 000 CLICO policyholders and legal fees paid by statutory corporations.

On the motion of Hon. J. D. E. Boyce the sitting was suspended, not adjourned, until 9.00 a.m. on Tuesday, March 17, 2015, when the debate on Order No. 17 was to continue.