
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2013 – 2018

HOUSE OF ASSEMBLY

Monday, March 14, 2016

met at 10.15 a.m. on Monday, March 14, 2016.

PRESENT

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

Hon. STEVEN D. BLACKETT
(Minister of the Social Care, Constituency Empowerment, and Community Development)
Mr. JAMES D. PAUL, B.Sc.
(Chairman of Committees)
Dr. the Hon. DENIS S. LOWE, Ed.D., M.Ed., B.A., Dip. Theology
(Minister of Environment and Drainage)
Mr. ADRIEL D. BRATHWAITE, LL.B. (Hons.)
(Attorney-General and Minister of Home Affairs.)
Hon. STEPHEN A. LASHLEY, B.Sc., LL.B. (Hons.), L.E.C.
(Minister of Culture, Youth Affairs and Sports)
Hon. DONVILLE O'N. INNISS, Dip., B.Sc., M.B.A.
(Minister of Industry, International Business, Commerce and Small Business Development)
Hon. CHRISTOPHER P. SINCKLER, B.A., M.Sc.
(Minister of Finance and Economic Affairs)
Mr. TREVOR PRESCOD, B.A.
Mr. KERRIE D. SYMMONDS, B. A., LL.B.
Lt. Col. JEFFREY D. BOSTIC, M.V.O., B.A. (Hons.)
Dr. Mrs. MARIA M. AGARD, J.P., D.Ds., B.Sc. (Hons.)
Mr. DWIGHT G. SUTHERLAND, M.Sc., M.B.A. (Dist.), B.Sc.
Miss SANTIA J. O. BRADSHAW, LL.B. (Hons.)
Prayers were taken by Reverend Mark Harewood.

MR. SPEAKER: This House is now in Session.

MINUTES

MR. SPEAKER: Honourable Members, I am not as yet in receipt of the Minutes of the last meeting, therefore I ask for the usual Motion.

Hon. John D. E. BOYCE: Mr. Speaker, I beg to move that the Minutes referred to be therefore deferred.

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

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

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

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

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

GOVERNMENT BUSINESS

ORDER NO. 21

SECOND READING OF THE Appropriation Bill, 2016.

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

Hon. C. P. SINKLER: Mr. Speaker, it is once again my privilege and certainly my responsibility to crave the attention of this Honourable Chamber as I present before you my colleagues, countrymen and the rest of the world the Annual Estimates of Revenue and Expenditure for the coming financial year 2016-2017. This process, of course, is made possible only through the execution of the legal requirement for the reading and passage of the Appropriation Bill, 2016-2017, for in it considering and passing this Bill, that the continued orderly ministering to the needs of the people of this country is permitted and provided for. In this way and perhaps for no better reason, this exercise represents the single most important exercise in the Parliamentary calendar. In this regard, permit me at the very outset to express on behalf of the Right Honourable Member for St. Michael South, the Prime Minister of Barbados and the entire Administration for our appreciation of the solid and determined support of the people of Barbados for this Government; your support for the Government has been exemplary; our commitment to you is and always will be to harness our collective, natural, human, financial and technical resources in the pursuit of the ultimate objective of building a Barbados that is socially balanced, economically viable, environmentally sound, and characterised by good and transparent governance.

Today as we reflect on the progress we have made since we were last here for this exercise, and project forward into the coming financial year, it will become increasingly clear that together in spite of all the challenges that continue to confront us, both internal and external, that Team Barbados continues assuredly to achieve the goals we have set ourselves.

Sir, it may not please some to know that our economy, ravaged as it was, not unlike many others in the region across the world, by the most virulent global recession, has continued its determined climb back to sustainable growth, but the truth, Sir, is that it has, not as quickly as we would like, yes, but definitely in the direction that records expansion now and promises more in the near term. Indeed, backed by the strongest performance in a single year in recent memory, or perhaps in any memory, from our lead tourism sector which, of course, Mr. Speaker, Sir, we are told, grew by almost 15 per cent in terms of arrivals last year and almost 6 per cent increase in valued-added, our economy is now expected to record upwards of 0.7 per cent economic growth for 2015, surpassing the virtually flat performance of 2014.

We are beginning to see a resurgence of the upscale second-home market, particularly on the west coast which took a horrible hit from the financial crisis, as once idle properties are being sold again in increasing numbers, even as new ones are beginning construction at places such as Royal Westmoreland, Beechlands, Apes Hill and Settlers Beach, to name a few.

No doubt the presence of Sandals and the promise of the Hyatt and Sam Lord's, together with a host of other investments in this sector and not only locking in this spectacular expansion that we have seen in tourism today but conditioning Barbadians for an even brighter economic future tomorrow with substantial knock-on effects for construction, wholesale and retail trades, and of course an improvement in the employment prospects for hundreds of young Barbadians.

Sir, the incontrovertible evidence of a return to stability in the underlying base of our foreign exchange reserves may not fit into the scaremongering predictions of some, that we were going to run out of reserves and default on international loan payments, but you know, Sir, that the evidence is there for all to see. In fact, apart from maintaining reserve levels of just about 14 weeks of imports, two weeks above the accepted industry standard internationally, we were able last calendar year to make the unprecedented decision not to go to the international capital markets to seek borrowings, either to repay the maturing \$50 million Barclays Reserve Loan Bullet loan, or to shore up the reserves for day-to-day balance of payments transactions as has been the practice for the past two or three decades. So confident we were in our capacity to

withstand the hit of that particular loan repayment and still carry on, in spite of losing \$100 million of reserves, in terms of our payments but we continued, Mr. Speaker, Sir, to stand our ground and maintain the 14 weeks of imports that have become the regular standard in Barbados, bar for a few years in the middle part of the beginning of this century.

Mr. Speaker, yet again, Sir, it might not please some people to know that having seen our fiscal deficit reached staggering heights of just under 12 per cent of Gross Domestic Product in fiscal 2013-2014, that through concerted and disciplined efforts of this Administration, particularly the Ministry of Finance and Economic Affairs, this financial year we are projecting a final deficit of 4.2 per cent of Gross Domestic Product, down from the 5.8 per cent of 2014-2015. Mr. Speaker, this is in spite of all the things that you would have heard, Mr. Speaker, Sir, from some people who do not understand public finance budgeting or accounting. But you know, Sir and as I would shortly point out in this presentation, what has happened in this fiscal period accords with progress.

10.40 p.m.

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Seq. 2

Hon. C.P. SINCKLER: ... You know, Sir, and as I will shortly point out in this presentation, that what has happened in this fiscal period accords with progress. Mr. Speaker, indeed that narrative of negativity sitting on a fillet of failed attempts to undermine public confidence in both the governed and the Government is there today becoming exposed for its unfortunate cynicism, if not its outright carelessness. Your Government, Sir, has remained steadfast in the face of adversity, committed to the cause even in a sea of misguided criticisms, and determined even in the darkness cast by the doubting Thomases to be a light unto your people and to harness their efforts to achieve the positive results we are bound to speak of today.

Is everything perfect in Barbados today, Sir? Of course not. Can things be better, supremely better in critical areas such as health care, education, sanitation, clear water delivery and so forth? Of course they can and they will be. However, at every point, from critical issue to forceful challenge, your Government has foiled the stumbling blocks and hurdles, kept buses on the road, schools open, life-saving care delivered, waste collected and our society protected. Oh yes, Sir. While some threw their sweaty nightcaps in the air and declared defeat and others still sought for more political advantage to manipulate these bumps in the road, your Government stayed true to its cause, focused on its mission and confident in its capacity to deliver positive development outcomes for all

Barbadians. The results of our efforts are beginning to show in all the right places, even, Sir, when in pursuit of solutions to problems which we ourselves did not create but are now called upon to resolve.

Lest we forget, because there are a lot of short memories in this House and outside of it, it is not this Government that created the Barrack fiasco, but it this Government that has had to resolve it. It is not this Government that oversaw the collapse of CLICO (Colonial Life Insurance Company) and BAICO (British American Insurance Company), but it is this Government that has found solutions that will protect tens of thousands of policyholders and investors across this country, even as the respected Leader of the Opposition has signalled to investors and policyholders in the country that the Government is not an automated teller machine (ATM) for them. It is not this Government that built a cricket stadium for \$150 million and still has to pay more than \$2 million a year to lease the land it is on from the owners of the property. Surely, it is not this Government that agreed to the establishment of a waste transfer station which is costing the taxpayers close to \$25 million a year to operate, after wasting \$100 million in a now inoperable Greenland dump. It was not this Government that did that, Mr. Speaker. Indeed, it is not this Government, which you know only too well, that allowed an oil refinery company to walk away from Barbados without cleaning up the site of its operations, as is the international practice when such plants are decommissioned, leaving the taxpayers to foot a potential bill of \$60 million. That is coming up soon and we will have a conversation on that too. It is not this Government that did that, but it is us who will have to find the solution to that problem.

It is also definitely not this Government that failed to take immediate and required actions to complete an overhaul of the Barbados Water Authority mains network, substantial parts of which are over 100 years old and leaking upwards of 50 per cent of the water that is pumped through them. However, in an amazing twist of fate, it is this administration that stands in the false dock of the Barbados Labour Party Opposition accused of trying to starve people in Barbados of water because of our concerted efforts to expend millions of dollars - hundreds of millions of dollars - to not just replace those leaky mains but upgrade the distribution system, repair the collapsing reservoirs and save the water system in Barbados for future generations. It is not this Government that did these things, Sir, but it is this Government that has to find the solutions. However, these are the crosses we bear, and we bear them as we work to put Barbados back on track. We do not expect any credit from the Opposition. You will not hear it today, you did not hear it last night, and you will never hear it. We do not expect credit from them or their acolytes outside of this Chamber; but while democracy may have died in Roebuck Street one dreadful night a few months

ago, it is still very much alive and well in Barbados, and as long as that is the case, this administration will have its say in defence of its record and implementation of its ideas for Barbados.

Mr. Speaker, with that firmly in mind, permit me to turn my attention to doing exactly that, and for ease of reference, Sir, I will divide this presentation into two parts. Part 1 will give a report on the state of public finances for the current financial year which ends March 31, 2016, in a couple of weeks' time, and Part 2 will set out the parameter of Government's spending programme for the next financial year, including our central objectives, key areas of focus including the expected impact of these measures, particularly on our socio-economic advancement, and how precisely we expect to finance these very crucial interventions for national development. Ostensibly, Sir, what you and other Members of the House will hear today is not about the past, really, but about the future. It is not about what we have achieved so far in the past 50 years of our modern nation-building efforts; rather it is about what we must continue doing now to ensure that a brighter, better and more sustainable future can be attained for those coming after us.

Mr. Speaker, in this regard I pause to reflect, because it does not escape me at all that we present these Estimates almost 50 years to the day when our late revered leader and Father of Independence, then the Honourable E.W. Barrow, now Right Excellent Errol Walton Barrow, National Hero, moved the Second Reading of the Appropriation Bill for that coming financial year 1966-1967, in which the island won its Independence from England. Sir, his presentation was actually quite short, as was the norm in those days, as both Government and Opposition saw the wisdom of spending more time in dealing with Heads of expenditure in Committee than in a wasteful repetitive set of Second Reading speeches. I do not expect that we will get much of that because we have offered that to the Opposition, I believe, two years in a row -- certainly last year -- and they said they did not want to get into the nitty-gritty of examining Government's Budget but preferred to give the speeches that would go out in the retail politicking business. That is as it may be, this is the process, and we work with what we have.

The then Premier and Minister of Finance spent most of his speech explaining to his critics why it was not only necessary but opportunistic for the Government to promote deficit financing or deficit spending as a goal to creating capacity for the country's sustainable future economic development. He clearly recognised that the island was at a critical juncture in its development. His Government, without the support of the Opposition, of course, and others who opposed Independence at that time, but with the full support of the majority of Barbadians, prepared itself to move from colonial governance into Independence and

total political self-governance. He understood the reality of the uncertainties of nationhood but relished the boundless opportunities which such a status would present if the country prepared itself in the right way.

10.34 a.m.

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Hon. C.P. SINKLER: He understood the realities of the uncertainties of nations but relish the boundless opportunities which such a status would present if the country prepared itself in the right way. The previous leader was not overly occupied with what had transpired in the past even though as a keen student of history, he would have brought those lessons to bear on crafting the Government's vision for the country. He was anxiously preoccupied with changing the present in pursuit of ordering the future to the eventual benefit of coming generations. Today, 50 years on, the rest is history as one cliché often goes but what a great history it has been, certainly one that is worth celebrating with or without the Opposition. They did not support us going to Independence then and we do not expect them to celebrate the achievement of 50 year of Independence now. Sir, at least they are consistent at least in that particular regard. Sir, the point I am making here is that we who are entrusted with the current leadership of Barbados both men and women on both side and in crafting this country's future must take a leaf out of the leaders of the past and anxiously focus our attentions on creating platforms for future success in the name of those who are going to come after us.

Mr. Speaker, in this regard, it is incumbent on all of us, Government, Opposition, private sector, the labour movement, Barbadians all to not only seek to applaud ourselves for our past achievements but to ensure that in all we do that we protect the gains, defend our current status by promoting our economy and society and shielding it from the adverse effects of the global events which from time to time ravage and shackle our cage and this, Sir, more than anything else is what this exercise has to be about. It is not about who is in Government and certainly not about who is trying to get into Government but about the future of Barbados and Barbadians.

Mr. Speaker, from 2008 through to 2013, this country faced its sternest test, certainly, since Independence, the share violence of the global recession, deep as it was, hit at the core of our economy and spilled over into our general society. Sir, it threatened our stability and threatened our viability in terms of our progress as a developing country. These threats came to a head in 2013 when our international reserves were declining at a rapid rate, growth was on a negative trajectory and the fiscal deficit and debt which it fueled were on a steep climb upward. The whole Government's response in 2013 was

quick and decisive. It was designed to achieve three principle short to medium term objectives (1) to halt the dangerous depletion of the international reserves and return them to a normal passage of usage as we weaned market players from the private sector off excess calls on the Central Bank's stock (2) to deepen, expand and accelerate the Government's homegrown fiscal programme in order to moderate demand for foreign exchange, slow and eventually halt growth in Government's creation of non-productive debt by reducing its appetite for deficit financing and (3) to lay the ground work for renewed economic growth through facilitating strategic investments by the Government and the private sector in critical areas and activities in our economies led. Of course, by the foreign exchange earning and saving sectors.

Mr. Speaker, the overall objective of the programme rested on restoring confidence in Government's ability to consolidate its public finances and maintain stability in the overall economy. Sir, this as you know, was not an easy task given that it is always the intangible elements of economic interrelationships that are the easiest to negatively affect and the hardest to recompose but we felt confident that we had designed the appropriate programme for Barbados in the circumstances given the magnitude of the problems we face, the urgency required in terms of the response and the capacity of the Government and the rest of the society to execute and, Of course, tolerance to bear on these interventions.

Mr. Speaker, some people felt and still feel that the programme was and is not intense and deep enough and would not have achieved its intended results. Others believe that it was too much and too burdensome on the people of Barbados. The Opposition that we have had to contend with has been on both sides of that (5:53) in relation to their responses. Once, it was not enough, then it was too much, then it was not enough, then it was too much and then it was all over the place that we could not keep track of where they were at any particular point in time. Sir, be that as it may, regardless of what ever position you came down on, no one could question the veracity of the objectives that were established for the country even if they disagreed with the methodologies and now with the passage of time, as we progress into the end of the second full financial year of implementation of our programme, the sheer weight of the fact of the positive results we are seeing cannot be denied. I have already spoken about the progress we have made in repairing damage in 2013 to our foreign reserves and, Sir, as I have pointed out, we have begun to see growth, all be it marginal, 0.3 per cent in 2014, 0.7 per cent in 2015. I also speak without fear of contradiction, that the general sense of growing confidence across several sectors of our economy about the near term prospects for even greater growth in spite of the legitimate heightened levels of concern about what is happen in the global economy has begin to emerge but the progress on

the fiscal is really the key driver in the evidence of the changes that we are seeing and, Sir, I am going to speak to that today.

Mr. Speaker, you would come to understand what I have said that there are a lot of people in Barbados who unfortunately do not understand public budgeting and public finance budgeting and public finance accounting but hopefully somewhere along the line this week they will come in connection with it.

Mr. Speaker, let me illustrate. Sir, at the end of the last fiscal year, 2014/2015, the Government was able to reduce its deficit from a high of 11.6 per cent to 5.8 per cent of GDP. Sir, this is one of the single, if not the single largest drop in the deficit ever recorded in Barbados in a single year.

Mr. Speaker, through this effort, we were able to turn a negative primary balance. Sir, we used to hear everything in here about since Independence we have only run a negative primary balance in these few years except when this Government was in office. Well, we turned a primary negative balance of BDS\$180 million to a primary surplus of \$58 million. Again, in a single financial year.

Mr. Speaker, Sir, some people say that is almost staggering to move from a negative primary surplus of \$180 million to a primary surplus of \$58 million in a single financial year. This was achieved through the concerted effort to rebuild our revenue base and cut and contain our recurrent expenditures in 2014/2015. Sir, in that year, revenues were \$151.9 million more than the previous year and \$26 million more than projected.

Sequence 3

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House C 27 Seq 4 a.m.

Hon. C. P. SINCKLER: ... in that year, revenues were \$151.9 million more than the previous year and \$26 million more than projected while on the other hand current expenditures were \$217 million less in 2014/2015 than for 2013/2014. Grants to public institutions is the area which people tend to focus on - and in some respects quite misguidedly saying that it is growing and growing and we are giving this money to all these people - declined by \$158 million. These returns gave lie to the often repeated misinformation spread around Barbados that this Government put a programme in place that was not working, could not work and has not been working, that we increased all these taxes, laid off public servants. I noted with much interest the head of one union in Barbados in an Anglican Church, I believe it is St. Barnabas declare just below the pulpit - we thank God he was not in the pulpit -

that the Government laid off 6 000 public servants when he was vice president of the union. If it was not a good Christian establishment I would say that he was in tune for a bush bath, but we do not associate bush baths with good Christian exercises. He asked the rector of the Church to pray for the workers and I think that is a good thing to happen because we know some of them, quite a few of them have been under strain after losing their employment. There was not any 6 000 people sent home anyway but for that misinformation in the face of the Lord, I would have asked that the Priest to pray for him too because he deserves to have that prayer so that he would not misspeak again. Assuming we laid off all these persons yet no progress is made and the facts simply do not bear out the misinformation. It is like the mythology that we can everyday promulgated, and some in here too, that the Government increased Value Added Tax (VAT) from 15 per cent to 17.5 per cent and is, in fact, collecting less VAT revenue than when it was 15 per cent.

Mr. Speaker, would you believe that in 2009/2010 when the VAT was last at 15 per cent the Government collected 703 million in VAT and at the end of last year 2014/2015 the Government collected 886 million or \$183 million more in VAT than it would have collected when it was at 15 per cent. Everyday on some call-in programme or in the newspaper somewhere the providers of untruths and the people in the media who should take the opportunity to go and check the facts, the information is there, you can go on the Central Bank of Barbados website, you can go on the Ministry of Economic Affairs website, you can get the information from the Accountant General (AG), they repeat these things, they hear people saying them, including politicians and would not correct it and say that is not quite true. They will not fact check it, but they spend all the time trying to confuse the Government of Barbados in relation to these matters when they know it is not true.

This is the misinformation and the mythology that pervades this society, Mr. Speaker, in terms of discourses on the economy of Barbados but I think the people of Barbados has come to understand what is the truth from what is misinformation from what is down right lies. As the Prime Minister of Barbados always says and is fond of saying, the truth is not like milk, it does not spoil and sooner rather than later, this Government's detractors will have to face the truth plainly and simply, Mr. Speaker, and this morning is one of these occasions.

Indeed, in this spirit permit me to give the provisional financial report for the performance of the Barbados Government public finances for the current financial year and the projects to the end of March 2016. I think I am going pretty well in terms of time. The original projection for 2015/2016, in terms of the programme budget for the fiscal year was designed to produce a deficit on a cash basis of 8.1 per cent of nominal gross domestic

project - that is what we brought here - at market prices calculated, Sir, if you use the international financial institution basis, you can use that, on the basis that we have used since 2007, introduced by the last Administration not by this Administration accrual accounting and we went full accrual from last year. The net operating balance of deficit which we brought her was put as 7.4 per cent that was in the approved Estimates of this country. The fiscal programme for 2015/2016 approved by this Parliament showed current revenue of \$2.555 billion with current expenditure exclusive of amortisation of \$3.090 billion and the capital expenditure of Bds\$396.9 million. While the projects on an accrual basis show there is no operating balance of \$668.5 billion or -7.4 per cent of Gross Domestic Product (GDP) as I said if we had to use the cash basis of old it would have said a projected deficit of \$737.7 million. Sir, the returns are as follows in terms of revenue.

It was originally anticipated and estimated that current revenue would be \$2 539.2 million and that would be collected for 2015/2016. Provisional day from the Accountant General for the period 1st April, 2015 to 31st January, 2016 shows that the Government collected revenue of \$1.865 billion a decrease of \$48.8 million or 2.5 per cent less than the current revenue for the same period in 2014/2015. It is projected, Sir, that \$283 million - and that is confirmed now - has been collected for February and that \$519.8 will be collected for March 2016 to yield a revised current revenue of Bds\$2.668 billion. This is \$129.4 million more than the original projection. Sir, I did not put together these figures, they had nothing to do with me, they come to me from the Accountant General of Barbados and the Finance Division of the Ministry. I do not go and tell them I feel you should put in this or up this, in any case, it would be verified when the final accounts come in April in relation to the verification of what we know we have received for February and what we will receive for March, Mr. Speaker, and based on those who predicted failure in us collecting revenue will now have to deal with the facts - but I have not finished yet - that we are expecting to receive \$129.4 million more than received in the previous year. Sir, the amount of \$2 668 million which is expected to be collected this year, if you had to match it against what was actually collected, because that \$129 million that I spoke about is what was on the projection in terms of what we would have approved in Parliament last year but if you look at what was actually audited and collected for 2014/2015 the \$2.668 billion in revenue is \$196.9 million or 8 per cent more than what was actually collected last year. Do you want me to repeat it again?

Asides.

Hon. C. P. SINCKLER: It is \$196 million or 8 per cent more this year than what we collected last year. That is just simply a fact.

House C 27 Seq 4 a.m.

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Hon. C. P. SINCKLER: Taxes on property are expected to increase for the corresponding period by \$20.9 million to \$143.5 million, while taxes and goods and services are expected to increase by \$137.1 million to \$1 253 000 000. The increase in taxes in good and services is merely due to increases in the value added tax and the excise tax of \$32.9 million and \$76.3 million respectively.

I did not make these figures up, this is what the Accountant General has said. Those who want to impugn the integrity of trusted, long-standing, appointed public officers in Barbados are free to do so. I know that the same people that served the Government is the same people who are serving us, so if the figures were right and just and had integrity when they served them, well then they have to have the same right and just and integrity when they are serving us. Mr. Speaker, that is just simply the facts, so people could present whatever figures they want, I take what I get from my officers. I am not the person who put together these. I read them and analyse them as they come to me.

Taxes on income and profits are expected to increase by \$23 million or 3 per cent for the corresponding period last year. This is merely due to increases in income tax of \$26.2 million. Conversely, we have had a reduction in the withholding tax, which is projected to decline by \$10 million.

Special receipts will also decline by \$36.9 million or 42.8 per cent to \$49.3 million, and this primarily due to the fact that we decided after March 31 that we would no longer have a Municipal Solid Waste Tax, so what was in there fore the Municipal Solid Waste Tax would obviously not come in and therefore we clear that particular record by \$36.9 million.

Taxes on international trade will realise \$218.6 million, a decrease of \$4.5 million or 2 per cent, a small marginal decrease for the corresponding period. Non-tax revenue is expected to increase to \$91.2 million to \$180.6 million, and this of course is going to be part of the injection of the \$75 million that is expected from the sale of the Barbados National Terminal Company Limited in relation to special dividend.

Mr. Speaker, let us go to expenditure. Provisional data from the Accountant General for the period April 1, 2015 to January 31, 2016 indicates that Government incurred current expenditure of \$3.245 billion inclusive of amortisation, so that takes everything, an increase of \$225.8 million or 7.5 per cent of expenditure for the current period when corresponding to last year.

It is projected that \$302.9 million and \$437.7 million would be spent during February and March 2016 respectively to give a revised current expenditure inclusive of amortisation of \$3 986 000 000. This is \$26.7 million less than the amount approved in the 2014-2015 financial year.

Expenditure on wages and salaries is projected to decrease by \$10.2 million from the amount in 2014-2015 to an amount of \$740.9 million.

Expenditure on goods and services is expected to increase by \$12.8 million or 3.8 per cent from the period in the previous financial year, and that would bring it to \$353 million.

The following supplementaries, as we know, Mr. Speaker, were approved during this period in the Honourable House of Assembly. Mr. Speaker, \$2 million towards the recovery effort in Dominica following the impact of Tropical Storm Erica. At least we can say that the Government of Barbados has given the money. We do not know about some of the other private sector activities that raised money. We do not know how much money was raised by the other private sector entities and when it was delivered but we would find out soon enough, but at least we know the Government has stuck to its word. We do not know yet about the other private sector entities but we will eventually hear of an accounting of the funds because the Ministry of Finance quite gratuitously gave some tax concessions. I think that since people want to hear where some money has gone to from the National Insurance Board and where this money has gone to and who have spent it, we should hear who got the money out of the show that the public of Barbados forego taxes to help put on, but do not worry I got another opportunity to speak and I will speak very clearly to these matters when the time arises.

Sir, I do not get ahead of myself. I do not need three Estimates speeches to make my point. I speak here. I do not need to hold a political meeting to make my point on Estimates. I make the points when I come here.

Mr. Speaker, \$1.8 million will go to the Treasury Department to pay for commissions on the usage of people using credit cards, not staff or not Ministers, because people would run off and say Ministers got credit cards. When people make credit cards payments of their bills and taxes and so forth, there is a commission that goes with that for us to collect and we have to pay part of that to the companies that facilitate that.

Mr. Speaker, \$1.8 million will go to the Electoral Department in preparation for the ID Card Project and \$1.3 million will go towards the 50th Anniversary of Independence Celebrations.

Current transfers are expected to increase by \$44.8 million or 13.3 per cent over the actual amount of 2014-2015 to \$1 147 400 000 million reflecting Government's efforts to accelerate the pace at which arrears in the system are paid down.

The following supplementaries we expect would be approved for the rest of the year. Mr. Speaker, \$21.8 million for the Transport Board to cover operating costs, \$18 million to Barbados Agricultural Development and Marketing Corporation, \$6.1 million to the Sanitation Services Authority; and \$7.9 million to the Ministry of Education, Science, Technology and Innovation in relation to the subsidy for the transport of students on the Transport Board buses.

It should be noted, Sir, that in all respects of these supplementaries which were brought to the Honourable House of Assembly, ministries were asked and identified commensurate savings to reduce the impact on the fiscal deficit, so while we did bring a supplementary ministries were able to identify areas in which they did not need the spending and they were able then to cover for those ones which they did.

Mr. Speaker, total debt payments for 2015-2016 are expected to be \$257.7 million or 18 per cent more than the previous year. Total interest costs are projected at \$680.1 million, an amount of \$26.3 million more than recorded for 2014-2015, while amortisation payments are expected to increase by \$231 million. This increase in the amortisation is primarily as a result of the repayment of a Bullet Loan, which I mentioned before the Barclays...Sovereign Bond which was borrowed in 1993. That is the Bullet Loan that the former Right Honourable Prime Minister brought.

Capital expenditure is expected to increase by \$81.6 million to 47.6 per cent to a final total of \$252 million in 2015-2016. This amount is also \$3 million more than what was approved by Parliament for the year. Capital assets are expected to increase by \$17 million to \$74.5 million in 2015-2016. This amount is, however, anticipated to be \$30.7 million below the amount approved for the year.

Capital transfers are expected to increase by \$63.5 million or 59.2 per cent to \$117.8 million and this mainly attributed to a supplementary which would come for \$49 million to bring to account projects

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11.04 a.m.

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Hon. C. SINCKLER: ...\$5 million or 59.2 percent to \$170.8 million, and this mainly attributed to a

Supplementary which will for \$49 million to bring to account projects spending of the Barbados Water Authority for the funded programmes by the IDB and the Canadian Commercial Corporation, that is the Mains Laying Programme in terms of IDB, the Meters Replacement Programme, Smart Meters, IT system Replacement Programme by the Canadian Commercial Corporation through the Citibank.

Acquisitions to be \$7.1 million, an increase of \$0.6 million over the period for 2014/2015, and this amount however is \$3.3 million less than the amount approved for 2015/2016.

Central Government disbursed and outstanding debt stood at \$12 185.4 billion as at January 2016, approximately, when you take the total 136.6 percent of projected gross domestic product, compared to 111.344 billion for the corresponding period ending January 2015.

Of the \$8 million increase in Government debt, there was a \$12.5 million increase in external debt, compared to the same period for the previous year and a decrease in external debt was primarily due to the repayment, again, of that BZW Sovereign Bond. This, of course, would have been counter-balanced by loans for the work at the Port and, of course, now for the roads programmes which you will see in your Estimates.

Total debt payments in April 2015 to January 2016 amounted to \$1.433 billion with interest payments of \$583.1 million, amortisations of \$849.1 million, and sinking fund contribution of \$13.1 million.

Interest payments say a marginal net increase of 0.3 primarily as a result of the maturing external facilities which assisted in counterbalancing the domestic interest payments.

External amortization increased by \$175.3 million as a result of the bullet loan payment of the BZW Sovereign Bond and the commencement of the repayment of the Credit Suisse loan. Domestic amortization shown a decrease primarily due to the payment of that loan. A bond of \$20 million, in terms of BAMC, which was a bullet payment. The net total increase in amortization payments of \$156.9 million was the only payment for that particular period.

Sir, the deficit revised for 2015 on an accrual basis, which is the budgetary basis we use now, is \$2 771.7 billion, of which ...

Asides.

Hon. C. SINCKLER: \$2.771.7 billion is expected of which \$2.570 billion is tax revenue and \$201.7 million is non-tax revenue and grant income.

Total expenditure is expected and projected to be \$4.239 billion, of which \$2.980 billion is current expenditure, exclusive of amortisation and \$400.9 million is capital expenditure. The revised negative operating balance on deficit of ...

Asides.

Hon. C. SINCKLER: Of \$4.239.2 billion of which \$2.980 billion is current expenditure exclusive of amortization and \$400 million is capital expenditure. The revised negative operating balance, therefore, is \$379.1 million representing 4.2 percent of GDP at market prices.

It is expected that \$1.273 billion or 81.1 percent of the \$1.570 billion of the overall deficit would be financed from domestic sources. The balance of \$297.6 million will be inflows from external foreign sources.

Sir, when I laid out the financial programme last year, that was eventually approved by this House, I believe first in draft in March and later in August, we projected a net operating balance of negative \$668.5 million, or negative 7.4 percent of GDP. That was higher than the 5.8 percent of GDP we achieved in the previous year, at the end of the year, or the 6.8 percent of what we would have approved in the previous year.

Today, two weeks away from the closure of the current financial year, I can say with every degree of confidence that not only will we beat the approved, that is the one approved by Parliament, deficit from the Estimates of last year by more than 2 percentage points, but better the return from 2014/2015 by at least 1.6 percentage point.

Mr. Speaker, the lie of saying that Government has not performed, that the fiscal programme has not come out right, that we are not meeting our targets and we are going in the opposite direction comes out in these figures, is counterbalanced and is destroyed by these figures, because we are actually going to get a lower deficit this year than we had last year, either on the projected or on the actual amount that we got last year. Sir, I do not know how else to put it. I do not know how else to put it, Mr. Speaker. Some people want it to be bad. Some people want us to write it bad, to say it bad. They want officers to bring information that is not true, because that would serve their purpose and work into their narrative. They want their people to write in the newspaper, Oh this is the election Estimates.

Asides.

Hon. C. SINCKLER: I am getting into that too. Mr. Speaker, I am getting into that.

They get their acolytes to write in the newspaper, some of whom do not know how to read the Estimates documents. One of them in a call-in programme, during the debate many years ago when I was on, asked me if as Minister of Finance, if I could sponsor a seminar so that he be taught how to read the Estimates documents because it confuses him when he reads it.

Asides.

Hon. C. SINCKLER: A journalist in Barbados who writes every week, has not been successful doing anything, but writes every week about who is successful and who is not successful in Barbados. It does not work into their narrative that the Government is not doing anything useful at all in the country, nothing at all. Somebody once said that even a clock that stopped, it works twice a day, but the Government cannot do anything that is right. Everything the Government has done is wrong. Yet when the figures come out they cannot work the figures -- yes, even a clock that stopped, they would twice a day.

Mr. Speaker, when the figures come, because they cannot handle the figures, they rush to say, Oh you have questions for the Minister of Finance. How can you get this money? Where does this money come from? How you get that amount in land tax? Is it on the evaluation of the properties and a whole set of rubbish, not from Members in this House, because nobody in this House brings rubbish in here, or talks it in here. They may talk it outside but they do not talk it in here.

Sir, we increased the land tax rates too basically to assist with the Municipal Solid Waste Tax. It raised twenty somebody million dollars more, I think it was, than what it was previously, and they want to know how you got this additional money in and tax. Was it on an evaluation, and Oh property prices have not gone up.

Honourable Chamber

Sequence 6

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Hon. C. SINCKLER: We are supposed to be gathering up to ourselves to parade as political alternatives to this Government, but it makes me laugh. The Minister of Finance must explain this. I have explained it in figures. It is there in the figures for all to see, figures that I did not produce myself. I did not compose them.

In fact this particular section, Mr. Speaker, I did not even write myself. It was prepared by my competent staff

and I have read it as it was prepared. I did not put anything in in. So if people want to accuse me of dabbling with the figures...

Asides.

Mr. SPEAKER, alright Honourable Member.

Hon. C. SINCKLER: Mr. Speaker, the section I read here on the Financial Report is always right as it is. I do not know what used to happen before, but I believe the Right Honourable Member for St. Peter would read it as well, as it is given because that is what they give you. That is what they say it is. I do not count money at the Barbados Revenue Authority. I do not count money down at the Accountant General's Office. I only read what they give to me. I analyse it. I see what is in there. If something is in there that does not look like it comports, then I ask a question like anybody else and they will give answers.

Asides.

Hon. C. SINCKLER: Today is a good day. So therefore the figures are there. The facts are here, and those who want to falsify the facts, that is their business. Mr. Speaker, I know that even in spite of the fact that all of the measures I outlined in the Budget have not yet been implemented yet, because some of them were staggered, they did not have the same implementation date. Some came later in the financial year, some actually began this calendar year, from February 1st. So we have not got all the money from those yet. Yet, we are still performing above what we expected and projected at the beginning of the year, Sir.

Sir, the Government I feel, in some respects, even though I do not expect it, must be given some credit for staying the course, sticking to its programme and ensuring we keep in sharp focus the progress that we are making.

I have made the point that the Financial Year 2007/2008, these Estimates, not by this Government, but these Estimates of Revenue and Expenditure, particularly expenditure, have been prepared on an accrual basis. I am going to make this point even further to show you what we could have done, but I have not done it. I am going to make this point.

Sir, these Estimates have been prepared on an accrual basis since 2007/2008 when the last administration took the decision to go from a cash accounting to accrual accounting in terms of the transactions of Government. The previous Government prepared its Estimates on a cash basis before that period, which measured monies paid out and revenues actually coming in. Under the accrual account system revenues are recorded when there are earned or when there become due and expenditures are recorded

when there are incurred. That is how the system is. That is how I came and found it. We all believe it is the best system for Government to operate under and it is on international standard.

Under the accrual system of account, the Government reports its fiscal operation 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 by the IAS, international standard of accounting, public finance accounting, that expenses are cost of carrying on the business and do not include capital outlays.

Sir, there is quite a healthy discussion. I call it discussion. Some people call it debate. Between stakeholders both in the Ministry of Finance and Economic Affairs and from outside including the International Monetary Fund, private sector accountant, and so forth and so on, as to how accounts under the accrual system for items such as capital transfers to Government's State owned agencies that create assets should be treated when competing a fiscal deficit. Some are of the view that capital transfers, once there are appropriated by Parliament and paid out to SOE's regardless of whether they create a tangible asset or not, must be recorded as expenditure. Hence computed in the deficit. Have you heard that, Mr. Speaker?

There is one school of thought if Government borrows money from somewhere, receives money by grant or however it gets it, and it sends that money out to a stakeholder entity to create an asset, once it is appropriated by Parliament, as it should be, and paid out, it should automatically be computed in your deficit.

There is another school of thought that opines that if that capital transfer creates an asset, an actual tangible asset with a value, the value of the asset should be treated as an investment in that entity. That is shown as an asset on the balance sheet of the Government and is not reflected in the computation of the deficit. It should not be in the computation of the deficit because it is revenue expenditure.

The Government to enhance its accountability and transparency in these transactions, especially with SOEs, started to move towards the consolidation of fiscal statements in Barbados, and these capital transfers at this time will be reflected in the whole of the Government's statements as have been the case presented by the Accountant General, once we went to accrual accounting.

The reason I am making this point, Sir, and it is an important point, were we to adopt the international accounting standard, which the International Monetary Fund says we should do for accrual accounting, in terms of

the treatment of certain assets created by capital transfers to state-owned entities, let's say for the current financial year, if we were to do that our deficit would not be reported at 4.2 percent. It would actually come down to about 3 percent of GDP, which is a simple fact.

I remember I met with a mission of the International Monetary Fund a couple weeks ago, and when this point came up the mission leader from the Fund said, why are you all computing capital transfers that create assets in your deficit computation? It should not be there, and this is where this discussion is.

Mr. Speaker, I have asked for the international standard setting bodies to write us a note on this, but also we can settle this particular issue.

I will give you a classic example, this year alone we have to give the Barbados Water Authority \$130 million. This money was not money that was borrowed for consumer goods, for things that are going to disappear. This money was borrowed from international agencies operating both in international financial institutions in relation to the IDB for the mains laying and the CCC, through Citibank for the meters upgrade and the IT system at the Barbados Water Authority. Now these created are creating substantial assets that have a value, tangible assets that will continue on into the life for many years for the Barbados Water Authority.

Sir, these loans are not made directly to the Barbados Water Authority because the source of the IDB and the Canadian CCC do not lend directly to agencies. They lend to Government and the Government has to send it to its executing agency, which in this case would be the Barbados Water Authority. However, because it comes to the Government as debt financing, low-cost debt financing which is the type of debt you want, low cost, it comes into the Consolidated Fund. It has to be appropriated from Parliament...

H

Sequence 7

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Hon. C. P. SINKLER: However, because it comes to the Government as low-cost debt financing, which is the type of debt that you would want, it comes into the Consolidated Fund, it has to be appropriated from Parliament by way of a vote, and then it is transferred to the Barbados Water Authority, so that they can execute the project.

Mr. Speaker, the international standard of accrual accounting, which we are supposed to be using, since we

do not compute that in no deficit just because it is voted by Parliament, it creates a tangible asset, so it should be taken out, but there are some people who insist that it should be in. Do you know what, Mr. Speaker, Sir? I am not even going to fuss up because the next thing you would hear is that somebody would go and call a political meeting to say that Sinckler is trying to 'doctor' the books and reduce the deficits more than it really has been reduced, so I left it in. Sir, until the international advice has come back, the international standard setting body has sent back their advice, which we already know what it will be, we left it in and brought the deficit in at 4.2 per cent. Sir, we can actually take it out and push that deficit to 3 per cent or below. Mr. Speaker, we took the worse-case scenario and we are waiting for the best to come.

Mr. Speaker, so are all of them, we have to give \$50 million to the Barbados Port Inc., for the creation of the Berth Five for the big mega ships that you there, along with the other one that they built, that too is another asset that is being created for an entity that is owned by Government, that you have to put in the book.

Mr. Speaker, do you know what is the amazing this about all of this? Mr. Speaker, when the last Government was in office, and the Right Honourable Member for St. Peter know this, and they were doing cash accounting, you did not have that problem, because those moneys could go into a below-the-line account, as they called it, and be transferred to those entities to do the work, without showing up in deficits.

Mr. Speaker, all of the wonderful work that was done by way of loans that were borrowed, or by moneys that were received from different funds that existed to do things like the Hilton, coast guard work, to do all these projects, Kensington and so forth, none of that showed up in the deficit accounting, so that when people were speaking about deficits of 1 per cent and 2 per cent, they did not have to take that into account. But the last Government went the way of accrual accounting system and everything seemed to have come onto the account and now we have to report it as being part of the deficit, when in fact, people have made the point... international economists and accountants have made the point why are you putting it in there, it should not be in there in the first place. Sir, that is the point, but we will await the advice and of course we will make whatever necessary adjustments and corrections that are needed to be made in relation to that matter.

Mr. Speaker, as I said, I am not an expert in this area, I take the best possible advice that was given to me, that advice for the time being is to leave it in and report it as part of the deficit. If it turns out that it should not be there, then adjustments will be made as is the case with all these things in terms of accounting and it will be taken out

and the correct figure will be shown. But that is as it is and I think that is the responsible thing to do.

Mr. Speaker, but whether the deficit is 4 per cent, 4.2 per cent, 3 per cent, or whatever, the fact of the matter is that our programme is working. That is the real point, whether we report it at 4.2 per cent, or 3.2 per cent, it is going down and down each year, Mr. Speaker, Sir, because this Government is acting responsibly. We are meeting our targets and we continue to do so, even as we apply fiscal policies that are responsible and sensible for growth and development in Barbados.

Mr. Speaker, in that vein, that leads me nicely to laying out... because I think we have made the point, I am not going to belabour it, we have made the point, so let me move very nicely onto what is laid out in the Government's financial programme for 2016-2017 and the Explanatory rationale behind it. I want to do this, some observations I want to make, Sir, because as I said, some people have a little difficulty in understanding certain things that are covered in this particular book and generally. Sir, I am not saying that to be condescending because I am a student of it too, I am learning, I did not know it all or know a lot of it when I came into Government but I applied myself as best as I could to try to understand the process and I think I have picked up a few things along the way that maybe if I could help somebody else to understand it, I will try my best to do so, Mr. Speaker, Sir.

Mr. Speaker, let me make the point that while all of the evidence I have shown points to stabilisation of this economy and continuing consolidation of our fiscal accounts, and obviously the resumption of growth in our economy and general confidence, there is still a lot of work to be done to reach our ultimate objective of sustainable and inclusive socioeconomic growth in Barbados. The reality, Sir, is that our deficit is still too high. We believe it is still a bit too high and our Gross Domestic Product growth is not high enough in order for us to begin to see a downward movement in the debt that we have in terms of debt creation. It is absolutely critical therefore for us to continue to move both of these critical variables in the correct direction, so as to first have them converged where the deficit and growth, certainly growth of the deficit is not higher than the growth of the economy and then of course to move them into positive positions where the deficit is down to the point that we can manage it reasonably and growth is above that and going up.

Mr. Speaker, put in another way, we have as a country to ensure that at worst our deficit, as I said, is no higher than the rate of growth of our economy and at best, that it is low thereby not contributing to net debt creation.

Sir, if we can move to this status in the near term it would give us the fiscal space, as people would say, to

begin to further improve our cash flow position, accelerate the liquidation of Government arrears, and permit for greater investments in social and economic programmes that will build our capacity and enhance our competitiveness.

Consequently, one of the principle objectives over the next three fiscal periods, starting this year and building on the progress that we have made so far in terms of the stabilisation of our economy as we move for a stabilisation of our debt, is to ensure that we can achieve that by fiscal 2018-2019. In that regard, Mr. Speaker, during the latter part of last year the Government, with the assistance of CARTAC, hosted a Technical Mission from the Fiscal Affairs Department of the International Monetary Fund to work with officials of the Ministry of Finance and Economic Affairs to begin to structure a fiscal rules framework for Barbados.

The key objectives of the new policy can be listed as follows:

1. To build the deficit as close as possible to Balance 2020;
2. Stabilise debt growth by 2018;
3. Reduce debt levels to below 100 per cent of Gross Domestic Product within five years of stabilisation; that is five years after 2018.

Mr. Speaker, among the several things we agreed must happen along the path to achieving these objectives was that Government would not rush to put hard-set regulative fiscal rules in place before appropriate preconditions were established and achieved by the various stakeholders in the public budgeting process. This was deemed necessary because from practice across the world it has been found that in several countries where across-the-board fiscal rules were implemented, that in very short order those rules were broken. Sir, we do not want to find ourselves in that position and the Team from the Fiscal Affairs Department of the International Monetary Fund who has been giving us technical assistance in this particular regard said the very same thing. They said their experiences was that countries rushed to put these things in place, they sounded very good, they do not establish the appropriate framework for achieving them and then very quickly after putting them in place it is broken. We must not fall into that particular trap.

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Hon. C.P. SINCKLER: ... Do not fall into that particular trap. The second thing that we agreed is that at the earliest opportunity Government should table its overall medium-term fiscal strategy in Parliament, outlining the continuing path toward fiscal consolidation under the new proposed movement toward fiscal rules, which will come at the end of the process rather than at the beginning. Mr. Speaker, I can alert the House and give the assurance that that strategy will be laid during the delivery of the 2016 Financial Statement and Budgetary Proposals when those come due soon enough. We also agreed, Sir, that not only should the new targets and rules cover the entire central Government service, but it should include the entire public service in terms of the ongoing work to reform the financial operations of our State-owned entities, as these are a critical part of the issue of deficit creation in Barbados and need to be addressed continuously.

Sir, the Estimates package which you have before you - and our hope is that we can get those things put in place during the coming financial year, Mr. Speaker - is in large part a reflection of those general objectives and some of the specific actions which I have identified and which Government has agreed should continue to condition our public finances over the next year and, of course, into the foreseeable future. In this connection, there are a few other observations that I would like to make about these Estimates, which I think would help people to better appreciate the numbers. Firstly, Members would note that the overall trend to move closer to fiscal consolidation through the boosting of revenue and the containment of expenditure is set to continue in these Estimates. I will speak to that, Sir, because there has been a lot said outside of this Chamber, and I am sure there is going to be a lot said this morning to give you the impression that this is not true, that the Government is abandoning fiscal consolidation, that it has admitted to failure, and that this is an election Estimates or whatever it is that they call it. Sir, I am going to address those matters.

In fact, Sir, while in the coming Financial Year 2016-2017 it is expected that we will collect current revenue of \$2.736 billion or \$24 million less than the revised figure for 2015-2016, this is \$298.4 million more than we expected at the start of the current financial year. When we started the current financial year, we were expecting to get more and, based on the revised figure which I have just given, we got over \$200 million more than we expected. This year, because we will not have an influx in terms of the returns for the sale of an asset as we expect to get this year with BNTCL (Barbados National Terminal Company Limited), which is about \$75 million, it will cause our figures to drop slightly, marginally, by \$24 million, but even then, it would still be \$298 million; almost \$300 million more than what we expected when we started the current financial year. We have adjusted the figures in that particular regard. However, Sir, if you look

at what is happening in the current financial year, especially with tax revenue based on the figures I laid out earlier and what we expect for 2016-2017, you will see when I give the figures that across all major tax categories -- income tax, corporation tax, Value Added Tax, excise duties, land taxes -- the trend of growing revenue continues in earnest. This is to the extent that even without the expected additional injection which I spoke about, the average percentage of revenue in terms of Gross Domestic Product (GDP) is expected to be 28 per cent, which is on average the amount that we have had for the past eight or nine years in Barbados. That is expected to continue.

Sir, our hope of course is that we can grow the revenues more. That is really our goal. Our goal is to grow them as much as we can, and even as we fairly anticipate a pickup in economic activity more than we had in the last calendar year, our expectation certainly over the next 12 months is that that will increase. We have kept the projection as conservative as possible. If the economy grows more than we anticipate and there is more activity, then we will get more, but we have kept that as conservative as possible and we hope for better results going forward, Mr. Speaker.

As you know, Mr. Speaker, last year we started the reform of the tax system to make it more proficient, less cumbersome and better targeted. I believe that as we move into Year 2, the second full year of that tax reform process both in terms of the policy and the administration, higher levels of efficiency will begin to emerge, and with them, better overall collections and more revenue. That apart, there is significant evidence available to the authorities, Sir, to suggest that there is now a systematic effort by some taxpayers, not by all, a small few, not to pay their fair share of tax. All types of excuses are being used why this is and should be the case. Unfortunately, Mr. Speaker, some of the times you hear this talk that Barbados is overtaxed, that there are too many taxes and so forth, even though the statistics do not nearly suggest that the tax take as a percentage of revenue in Barbados is much higher than it was 10-15 years ago. It basically has been averaging around 27-29 per cent of GDP. Some years it might have jumped, I believe, as high as 30, but it has on average been around \$28-\$29 million, so there has not been any significant take in terms of tax revenue. We may have a lot of little taxes, but we also have a lot of allowances and exemptions on the taxes. I often make the point that income tax is a classic example. There is close to about \$4 billion that we have in assessable income; just short of \$4 billion. However, when you think about what is actually taxed, it is less than half that amount. I think it is \$1.7 billion or \$1.8 billion that is actually taxed, because all the rest of it is excused from taxation. They make this point that Barbados is this overtaxed place but the other point they do not make, Mr. Speaker, is that Barbados also offers an array of social development services that a lot of other countries do not

offer either. I keep making that point that we cannot expect to have a Scandinavian lifestyle and want an American low-tax economy, unless you are prepared to pay for the services which people get in the United States (US). The debate over taxes in the US is done because people have to pay for many of the social services they use: sanitation, education, health care, and so forth.

Aside.

Hon. C.P. SINCKLER: In Europe, in some of the Scandinavian countries, you get a lot of these services free at point-of-delivery but you have to pay some extremely high taxes if you want to get those services free at point-of-delivery. We in Barbados like to do a judicious approach to this, where we are going to give people universal access. All: rich, poor and in-between. Some people quarrel and say we should not have it, that Barbados is being too generous, that we should do more means testing, that people who have no incomes should be the only people who access these services while those who have middle or high incomes should be made to pay for everything. We do not agree with that, but we always say to the population, "If you want to have these things provided, then we are going to ask you for a little bit". Sometimes we may have ask you for a little more than you may consider to be reasonable or that may be reasonable in the circumstances when we have critical situations like what we have had to deal with in Barbados because of this global recession. Until the situation clears, however, and until things get better, revenues improve and economic growth returns, I think a responsible government should find ways to ease people, and that is exactly what this Government will do.

11.42 a.m.

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Hon. C.P. SINKLER: ... revenues improve and economic growth returns, I think a responsible Government should find ways to ease people and that is exactly what this Government will do and intends to do but to do it in a responsible way. We will go through all of the taxes and we will indicate which ones we believe we can give up without causing us to fall back into the same problem and give people an ease but it is going to be done in a responsible manner and not in a manner where you get up one day and because you want popularity and you just decide not to slash this, slash that, slash the next, slash the third and then you are back into the same situation again. Sir, that exercise is currently ongoing and the public is going to hear from us very shortly where that particular matter is concern.

Mr. Speaker, I want to make the point that when people make these points and say that we should not have these taxes, this is way that Government pays for its bills,

this is how we meet our liabilities and this is how we have to ensure that we continue to protect the society and in particular to protect those who are most vulnerable in our country because there is a link between how much capacity the Government has in terms of its revenue and what it is able to do across the society.

Mr. Speaker, a number of things that we focus on our attention on in the last financial year was trying to pay down the stock of arrears which the Government had built up to trade creditors and to ordinary Barbadians in terms of tax refunds and so forth and so again. Sir, it is never a good thing for Government to find itself in a situation where it owes too many people in the society and that it holding back people, particularly small and medium size businesses from doing business. We have tried our best to focus on this particular issue. In fact, Mr. Speaker, Sir, at its peak, it got to the stage where we had in the system about \$350 million in arrears owed to various people in the society and that is excluding the money that is owed to the University of the West Indies which, Mr. Speaker, Sir, is now \$145 million. It is not \$225 million that I saw somewhere published in one of the daily newspapers.

Mr. Speaker, Sir, when we speak about this thing, we speak about it as though Barbados is the only country in the world where these things happen. We do not like to, and I think it is really not in good taste to reflect on what is happening economically and socially in other countries, certainly not in a negative manner. Sir, only recently I hear on one of the regional stations that the Prime Minister of Trinidad & Tobago, was pleading and asking with his public servants and trade and service providers, to cut the Trinidad Government a little slack, give them a little ease because they had mounted arrears of monies to be paid to people including public servants for a salary increase that was agreed to with the unions and the Government of Trinidad & Tobago because of fiscal challenges is unable to pay the money. Sir, that is Trinidad & Tobago that five years or six years ago, when we were reeling from the decline of our tourism industry, Trinidad was doing well because commodities and oil prices were high but today, the oil prices are down and, unfortunately, our sister country is facing some fiscal challenges because less money is coming in, in terms of tax revenue and they have fallen behind, according to what the Prime Minister has said, in terms of these arrears and particularly paying a salary increase that was due to public servants in Trinidad & Tobago.

Mr. Speaker, we see how this thing goes, today it is me, tomorrow it is you, the next day it is me again and so when people get up, parade and give the impression that they are so inept in managing the economy, that we do not know what we are doing and all these things, there are classic examples across the world, not just in the Caribbean but in other places in the world and in Europe where

countries are having to face stiff and difficult challenges and then you see that this is not something that was made by Chris Sinkler or by this body or the next body. This is what the world is and prudent management dictates that we continue to plug away on what we have to do.

Mr. Speaker, Sir, I make the point that we will continue to do the best we can in the circumstances but in that particular regard the Government I think only last year composed a sub Committee of the Cash Flow Committee of Government and we said to them that we want their responsible to focus on paying down arrears, identify where they are, quantify what they are and come up with a strategy to start paying them down, starting in particular with tax returns and tax refunds that are due to people in Barbados. Sir, I am happy to report this morning that between April 2015 and February 2016, the Barbados Revenue Authority has paid out a total of \$175 million in refunds broken down as follows:

Income Tax - \$75 000 in returns.

Corporation Tax - \$34 million

Value Added Tax Refunds - \$70 million

Mr. Speaker, Sir, that is \$175 million in less than one year in refunds and tax return. Could you imagine if the Government did not have to pay that \$175 million from various claims and allowances that are given, could you imagine if that had to go into the Government's revenue. We would be up by even more but these are entitlements that people have legal and otherwise and we make them.

Asides.

Hon. C.P. SINKLER: Why are we talking about it? We are talking about it because people are complaining that they cannot get their tax returns, that this thing is happening, that the Government would not pay them back their monies but, Sir, \$175 million and going for this year alone in January and February, we have paid out \$25 million in tax returns, \$12 million to corporation tax, \$3 million of income tax and \$9 million in VAT.

Asides.

Hon. C.P. SINKLER: Mr. Speaker, we pay people what they are due and along the way in doing that...

Asides.

Hon. C.P. SINKLER: Mr. Speaker, I know that it does not pay into the narrative and theme book of the Opposition to hear that people are getting back their tax returns because they abuse us in here constantly, dropping all the snide remarks about how people are not getting their

tax returns and now that they are getting them, they want to know why we are saying it out in the public that they are getting them. Sir, I cannot understand for the life of me because when they were not being paid, they were harassing us and abusing us that they were not being paid but now they are being paid and how much we are paying they say: "But why are you reporting that, nobody needs to know how much you are paying back". Sir, I cannot understand it. It is like they do not want to hear any good news at all. They can here and they abuse us and I will say perhaps with good reason, that the Queen Elizabeth Hospital had owed everybody and that ...

Sequence 10

Monday, March 14, 2016

House C 27 Seq 11 a.m.

Hon. C. P. SINCKLER: ... they came here, Mr. Speaker, and they abused us and I would say perhaps with good reason that the Queen Elizabeth Hospital (QEH) that had everybody and that they did not have this in there or that in there. Mr. Speaker, this Government gave a commitment to reduce the arrears payable at the QEH, and we have done so. We have not completed it yet because there is more to pay and we have not even brought over the money that I spoke about in the Budget from the National Terminal Company, that has not come over yet. All we have done is from the cash flow in the Treasury. That \$20 to \$25 million is still there and we will bring the instrument here to make it legal to bring it into the consolidated fund and it will be given to the QEH and I believe that would totally liquidate them in terms of arrears that are owed, but what we have ensured is that they remain current, that they pay currently and that they do not add to that stock of arrears which they may have be building up. The same thing for the Barbados Transport Board as well and part of the supplementary that you see here for \$21 million that will come during the course of this week is to help them pay down some of those arrears as well. As the cash flow situation improves, Mr. Speaker, we are beginning to meet our commitments which again is corroborated evidence that the fiscal programme is working because it means that we have money available to do things.

Mr. Speaker, I make this point very seriously. Do you know why I make this point very seriously? Because we have a way in Barbados, Sir, of allowing people to come around here making points in relation to Barbados that suits some peoples purpose ... You know they have some people who anything that is negative they can latch on to. Anything that reflects badly on the country because they feel that it is their purpose in life to make sure that Barbadians are as miserable as possible, that the country is doing as possible because they believe that is their pathway to Government.

Asides.

Hon. C. P. SINCKLER: It is a fact. I said some people I did not say you, not you, that is one thing I can say, not the Honourable Member for St. James Central. He is trying to please guilty that I charge him.

Asides.

Hon. C. P. SINCKLER: I did not charge the Honourable Member. He is not dragging before the court today, but there are some people generally in this society and not necessarily politicians, there are some other people who are merchants in negativity. Everything is negative, everything you talk to them they are complaining about something, they are fretting about this and they are fretting about that and so it suits their purpose to hear when people come around here talking things on issues that we have long settled as a country, hopefully both Opposition and Government, I used to think Opposition or I used to Barbados Labour Party (BLP), at least when the Honourable Member for St. Peter was in charge. I would not put my neck on the line for a lot of thing but at least I think the Right Honourable Member understood that a small open economy like ours, we are not price setters in this system. We are the large users of foreign exchange and we have a certain standard of living to protect. I know that he is not any advocate or adherent to this textbook economics about exchange rate adjustment. In fact, his writings on that are very, very clear in relation to what Barbados' policy should be in relation to our exchange rate and it is something that we settle many, many years ago, but when they drag up somebody to come around here, so-called one of the top 10 economist in the world - Mr. Speaker, I do not know who the other men are cause he is the top 10 economist in the world - to drag up something about Barbados should devalue its currency, adjust its exchange rate, Sir, matters that we have settled eons ago that Barbadians are divested of in terms of thinking, that we all agreed that we should do everything to defend our currency and have done it, we pick up people from about the world to bring around here to tell us foolishness in relation to that. Thank you Honourable Member for St. James Central, foolishness as it is. Some people latch on to it and run around trying to create scare mongering, oh Barbados is running out of foreign exchange, oh the dollar is going to get devalue, oh this is going to happen and that is going to happen, Mr. Speaker, and it amazes me why it is that we have to go through this every six months or every eight months. Barbados is going to default on a loan, oh it is coming. Every year we have an economist from the Royal Bank, a chief economist, giving her outlook for Barbados as though this is some grand thing. Last year she said, Barbados is going to default in the next 12 months, soon a default is going to happen. That default did not happen so you come again this year and say, oh default is around the corner, Mr. Speaker, and that Barbados should

restructure its debt in a hurry to achieve some particular results that they want to achieve. The former CEO of RBTT Bank of Barbados appropriately poured cold water on a lot of the foolishness that is why it did not make it to the front page of the Daily Nation. If he had spoken in the opposite way, that would have been in the front page, plastered all over the front page but because his comment was in the total opposite they "jooked" it down in page 4 because they did not want it to be reported. I understand what this is all about, Mr. Speaker, but I make this point and I think that the gentleman, Mr. Browne, spoke about the conditions under which Government may want to restructure its debt because that is the other sexy thing that is going around, restructure this and restructure that. Do you know they never told you what particular things to restructure and how to do the restructuring? They do not make the difference between restructuring and refinancing but they just go and say, oh restructure the debt because it sounds pretty. What I am saying this morning, Mr. Speaker, from the Floor of this Honourable House, that if anybody in here when the people from the Royal Bank whose chief economist came to Barbados and say that Barbados should restructure two years in a row, if they believe that is the case, I am saying to them, meet me on Monday at Government Headquarters at 10 o'clock and walk with the schedule of loans on investments in terms of Government Paper that you have in Barbados, Government Sovereign Paper, meet me and tell me which ones you want to cut, which ones you want to extend the maturities, which interest rates you want lower and we will have a conversation. That is my view on that. Do not come around here every year talking that rubbish if you are not prepared to put your money ...

Asides.

Hon. C. P. SINCKLER: Yes, what size of hair cut. Tell me which interest income you want to lose. That is what I am saying to the people in the Royal Bank. Do not come around here every year trying to create confusion in this economy by giving people the impression that I said it. Put up or shut up and I am saying that as the Minister of Finance of Barbados because it is rubbish to be doing that constantly every year and trying to give people the impression that you have some secret way or some special way of getting things done in Barbados. If you want to do it, come. Do not tell me anything about restructuring debt in terms of domestic debt because you have to look at both the domestic and foreign and the implications of doing such a restructuring. I know this is something promoted by the Leader of the Opposition. The Leader of the Opposition is very quiet but we will hear it again just like we heard about the National Insurance Scheme (NIS) and all of these things but I will speak to them, not now, I will speak to them when I am wrapping up this debate because we will know who is invested in the interests of people's pension funds. Do not worry about that, we are going to hear about

that and the appropriate explanations will be given but also the people of Barbados will hear about who

Asides.

Hon. C. P. SINCKLER: Bluffing? No, no, no, you wait, you will hear. He wants me to drop a lash in the Leader of the Opposition's but I am not doing that.

House C 27 Seq 11 a.m.

Tuesday, March 14, 2016

Hon. C. P. SINKLER: We said to ministries that we will cut by 5 per cent across the board and then we look at specific areas where we can net those cuts. We said to agencies that they have put something in the Estimates, that it is now January or December, it has not be done. Why has it not been done? If they come back and tell us they had problems with "X" or "X" and they said it cannot be done, we say then cut it. How important is the programme? Do you want to continue with it? No, it is not as critical as another programme, let us carry the money over to something else or if we do not have anything to carry the money over let us take it out of the system. Do not do as we used to do in the past when people see January or February comes and money is voted by Parliament and you rush off and go spend that money, because if you do not spend it you will lose it. Those days are over, we are not managing the economy like that anymore, so therefore you can see adjustments being made in real time. If you put something in the Estimates with all good intent, because those things happen, you put it in with all good intent, you intend to do it but the circumstance may come that it cannot happen. If that is the case, by the end of the calendar year or six months into the current financial year, you should identify those, tell us in actuality whether it can be done, and if it cannot be done just make the adjustments, find something else to do with the money and if you cannot find something else to do with the money, do not clog up the system. Mr. Speaker, that is why you are seeing the kind of progress that we are making because it is better financial management and that is what is responsible for what you see here today, Mr. Speaker.

Mr. Speaker, when people look at this they should not jump to the conclusion and say look at your Revised Deficit. Our Revised Deficit is 4.2 per cent but you are budgeting for next year for it to be 5 per cent, because that is what some of these people have been doing. First of all, they are mixing up cash with accrual accounting. We have gone accrual so they are still jumping on the cash accounting system and saying that the cash terms is 7.8 per cent, but we only put cash deficit in there so that it is understood what actual financing is required to meet the commitment of the Government. But we operate now on an opened operating balance, on an accrual basis, expenses or

revenue minus expenses, that is how the system works. The cash is an internal financing mechanism for us to know how much money we would need to raise in terms of new financing, what is being rolled over and so forth, that is how the system works, so I see somebody writing in the newspaper that the deficit is 7.8 per cent, that the Government has spent a whole wash pan of money. That is not how it works, we have gone past that. The Right Honourable Member for St. Peter ensured that when he brought in accrual accounting, so we are not dealing with that anymore, but we put it there for transparency and accountability in the Government.

Mr. Speaker, we are not hiding anything, this is what we are dealing with. Sir, when people are comparing they have to compare apples with apples, they cannot compare apples with oranges. Sir, people cannot say where the ending deficit is 4.2 per cent, your starting deficit is 5 per cent and so therefore the deficit has gone up. Sir, what Parliament approves is just the intent, this is just the Estimates here. What we approve is just a draft. Sir, by this time next year nobody right now knows what it would be. You cannot know, you could only give your best guesstimate of what is your intent. Sir, I do not know of any period where the end revised final deficit figures or financing figures of the Government has ever come back identical to what is printed in here. That has never happened, not since the Estimates were introduced here in 1962, I think it was.

Mr. Speaker, I do not know of any year where revenue has come back exactly as projected in this document. It has never happened. Some years it comes in to be more, while some years it comes in to be less. I do not know of any year where expenditure has come back exactly as it has been laid out in here, some years it comes in more, while some years it comes in less. It depends on what happens in the economy during the course of the year. It is an Estimates, so that this thing with people running around saying that the projections are wrong, that the assumptions are flawed, a whole set of stuff that you are going to hear again this afternoon, unfortunately, because that is the point that somebody wants to make as part of the thing. Again I do not make up the assumptions, the assumptions come from the agencies such as the Division of Finance, the Accountant-General, Central Bank, the Barbados Statistical Service, et cetera. They are the agencies that compose the assumptions, I do not get in a room somewhere and make up my own assumptions. I do not do that, it is not my job.

Mr. Speaker, Sir, so as I said you must compare apples with apples and oranges with oranges. If you are comparing an opening balance with a revised fiscal balance at the end of the year with that of last year, you are going to fail. If it is your purpose to do that, to make the Government look bad, then you would do it, but if you are

doing a proper analysis you have to compare apples with apples, and oranges with oranges.

Mr. Speaker, the second point I want to make in relation to this, Sir, is that the success of our fiscal programme has very interestingly helped us to shift the focus of spending somewhat in Barbados. Sir, I went behind the figures, because I like to go behind the figures. I asked the staff to go behind the figures and to tell me what was the level of spending in recurrent expenditures as opposed to capital expenditures. I said I do not want to go back 10 years, I said just give me from 2013 when we started having these problems.

Mr. Speaker, in 2013, 3.65 per cent of all of the spending was on capital expenditure; only 3.65 per cent, the other 96.35 per cent went on recurrent expenditure. Mr. Speaker, Sir, in these Estimates today --and this has been going up all the time -- we now anticipate it is going to be roughly about 10 per cent in terms of capital expenditure and this is the type of spending people say that should be happening in this economy, so whatever increases you see in here are for capital related items or even in goods and services being purchased to support capital expenditures, not spending in relation to recurrent stuff that is nontangible or whatever the case may be. In other words, this is no election budget, some people want an election so that everything you do now is an election, if the Right Honourable Prime Minister gets up any morning and decides that he is going to church at St. Paul's Church, Bay Street, and some people would say that he is preparing for an election. If you have an Independence celebration....

Asides.

Hon. C. P. SINKLER: Mr. Speaker, all of a sudden everything that you do now is an election. Some people cannot wait. I do not understand what the problem is. O, they want to have an election so that they can have a change of Leader? If he gets up and goes to watch volleyball at the gymnasium people would figure that it is an election coming.

Asides.

Hon. C. P. SINKLER: If the Honourable for Christ Church East Central decides that he is going to watch football at the stadium, people would say the Honourable Member is going around trying to get the people in football organised for an upcoming election. Sir, every day this is this thing about election, because some people cannot wait, they are in a hurry to get into Government, they are totally unprepared for it, entirely unsuited for the office but they want to get into Government, they want to get their pawns on the State.

No.C27A (13)12.25 p.m.

Tuesday, MARCH 14, 2016

Seq. 14

Hon. C.P. SINCKLER: ... They want to get their paws on the State. I do not understand why it is, Mr. Speaker. This is now an election Estimates. They say they want you to do capital works, they want roads fixed. We got money from the Development Bank of Latin America, CAF (Corporación Andina de Fomento), and the Inter-American Development Bank (IDB), \$17 million, to fix the roads; you are fixing them because of an election. People complain about potholes in the road, and you hear, "Oh, you are fixing the roads now. Oh, elections are coming up". We decided we would fix the water mains and it is, "Oh, we fixing the water mains so people can get more water. Well, elections got to be around the corner". Everything is elections, elections, elections. All the Government is trying to do is to deliver its programme for the people of Barbados, Mr. Speaker. That is why we have been able, through our tough but sensible fiscal management, to begin to shift expenditures away from ordinary recurring stuff into capital stuff. I think that is what is bothering the Opposition; that finally some of the projects are getting off the ground, that some of the things that they feared and that they predicted would not happen are now beginning to happen, so they are very worried now that things may turn around in the country, people may get some employment, and "oh, the Government is going to call the elections and catch us unprepared". Mr. Speaker, regardless to whether we call the election now or in 2018, they will be unprepared anyhow, because a party with three or four different leaders cannot be prepared for anything other than failure. That is the thing, Mr. Speaker.

Current expenditures are expected to decline to 90 per cent, Mr. Speaker, when they were as high as 96.35 per cent in 2013-2014. In terms of current expenditure, a sizeable component of even the goods and services expenditure is in fact linked to capital projects or projects which will build human resource capacity or institutional capacity in the public services in our quest to become more efficient. Consultancies related to projects such as coastal zone management rehabilitation, public sector Smart Energy programme, skills for the future, human resources development programme with the European Union and the other programmes that we are doing; all of these are programmes that we are going to be spending on, and all of them are backed either by grant funding or international low-cost loans from institutions like the IDB. None of this is wild spending. These are critical things that we have to spend on to build the human capacity in Barbados; to defend our coastline and to ensure that we are able to bring down the costs of fuel and energy in Barbados, which will give us efficiency and save us money. These are the things that we are doing to prepare the country for a bold takeoff in economic growth, and we are not supposed to do them

because somebody is going to put them in a box and put on the box “election spending”. I am not going to fall into that particular trap. We are going to do in this Government what is required to make sure that the Barbados economy succeeds, and that the country itself succeeds. Then, when the time comes for an election, we will deal with those matters.

Sir, I could go on. There is the National Procurement Project to ensure that Government is far more efficient in buying its goods and services and saving a lot of money from the wastage that goes on in Government. There is the upgrade in the Statistical Service; people complain about the Statistical Service -- the Members of the Opposition, not me -- and about statistics coming out, the need to do the new GSP (good statistics practice) series and all of those things. The upgrade in the Statistical Service is to produce all of that. I spoke about the project for the maintenance of the coastal zone that is being done by the Ministry of Environment. All of these are things that are being undertaken by this current administration in order to improve what we are doing, so when one looks at what we are talking about, for example, you may see a \$108 million increase in goods and services spending. The only reason that is year-on-year is because, as I said before, some of these projects which I have just identified, Mr. Speaker, had various challenges. There were some legal issues in terms of contracts to be done, some delays in terms of conditions precedent because they are backed by international financial institution loans, and we said to the Ministries, “If you cannot get them done, take them out of the system and re-vote them”. These are re-votes; so what happened in the revised figure is that it went down by \$100 million, and therefore when you come now to look at the new Estimates, you will see it go up by \$100 million, but that is only because those items which were taken out are going to be re-voted in these Estimates. When you really look at it, therefore, the increase in goods and services is nothing more than about \$15 million of new spending; all the rest of this is spending that would be considered to have been in the system already.

The third point that I want to make, Mr. Speaker. In fact, before I go there I can also make the point that even in terms of reducing transfers and subsidies, the trend line has been positive. In 2014, Barbados spent 32 per cent of its expenditure on transfers and subsidies, Mr. Speaker. We are now projecting in these Estimates that it is going to be 24.1 per cent, so that means it is contained, and it is contained not because we are just slashing people’s budgets but because we are asking people to be more efficient, to spend less and earn more, and do the things which you need to do, improve your management systems, improve your financing systems, improve your allocation and purchasing of procurement systems. We are satisfied that people have been doing that and allowing us to get savings in the system.

The third point, Mr. Speaker, relates to the issue of financing pressures on the Government, and in this regard, you will see that we continue to move in the right direction. Firstly, as deficits come down, the amount of new financing the Government needs to raise will come down. In 2011-2012, no financing accounting for 83.7 per cent of the total financing raised. That figure has consistently declined since that period, and it is now down to 68.1 per cent of the total financing requirements as projected in these Estimates 2016-2017, so we have gone now from going into the market looking for 83.7 per cent of total new financing as new financing down to 68.1 per cent. That is a significant decline because it suggests to us that as Government looks for less new money, it means that you are moving in the right direction in curbing Government’s appetite for new financing to finance its deficit.

Again, the financing for capital projects and related goods and services expenditures for capital projects, which I highlighted before and which are being supplied by our major partners IDB (Inter-American Development bank), CAF, CDB (Caribbean Development Bank), EU (European Union), Canadian Commercial Corporation, the United Nations GEF (Global Environment Facility) programme and the USAID (United States Aid) relative to the grant funding to the amalgamated lands project are all included in these Estimates in terms of the capital expenditure. Not only are we moving the expenditure towards capital, but we are doing it with low-cost financing, and that is one of the areas of overall restructuring of incurrence of debt that you want. You want to be able to get more project-related funding, you want to get it at a lower cost, highly concessional, two per cent, three per cent, one per cent, and you want it for things that will create activity, jobs and so forth. This is what we want, Mr. Speaker, and this is what are getting, so when we go to market now, we are not just going and borrowing at the highest interest rates. We are not going on the open market for seven and six per cent interest rate money; we are beginning to move toward low-cost financing, not just for recurrent spending but for capital projects that will create jobs and economic activity and build up the capacity of the country to become more competitive. How could anybody complain or quarrel about that?

12.31 p.m.

Monday, March 14, 2016

Hon. C.P. SINKLER: ... that will create jobs and build up the economic activities and build up the capacity of the country to become more competitiveness. Sir, how could anybody complain or quarrel about that arrangement. That is not what the country is supposed to do, that is what everybody has been calling for and that is what these Estimates are producing for the country.

Mr. Speaker, if we can lock in this trend of declining deficits, less new financing requirements and greater growth in terms of economy, while reducing our debt servicing pressure to the Government, we will be in good stead going forward. Sir, it is clear from these numbers that I have just given and that I will give in terms of the layout of the financial intent of Government in terms of its programme that we are beginning to achieve the results and, Sir, that is important.

Mr. Speaker, when our friends in the newspapers and elsewhere take up the Estimates and rush to print stories, to leave a particular stain in the brains of Barbadians that Government spending is up and that there is over-spending, they should ask somebody who knows.

Asides.

Hon. C.P. SINKLER: Not necessarily me because they do not want me but ask an independent source who understand the

Estimates that could look through and read them and understand what is going on and see that the new spending is \$80 million to build Sam Lord's Castle. Sir, that is not flippant money, that is an investment in the economy of Barbados, that is an investment in job. Sir, \$32 million for the Barbados Water Authority projects, to improve the water system in Barbados. Sir, \$70 million for road infrastructure, and money is coming from the IDB. Sir, \$11 million for the lab, which is grant funding that we do not have to pay back. Sir, all of that is included in here. Sir, \$4 million for enhance to credit for small and medium size businesses. The project for the IDB that is going to be managed by the Central Bank of Barbados, that is in these Estimates too. Mr. Speaker, there is \$6 million for new accommodation for the Immigration Department. Sir, people have forgotten the ID but this Government has not forgotten them and the very poor conditions of the ID. Sir, I was an Immigration Officer, so I worked in the building down the Wharf Road. I know the conditions down there and that while since 1990 but we decided that this here through a loan from the CDB, that we are going to give the ID and immigration officers a new space to work in, new systems to work with and better conditions to exist in. Sir, we get a lot of licks in Government for having public officers in bad accommodation.

Mr. Speaker, when we came into office, police stations were falling down. Sir, over the next few years, the Attorney-General can tell you that we have a proposal to build four new police stations and two have already started construction already. We had a situation at Black Rock Police Station where the police and some of the accused were literally falling through the flooring and lawyers had to meet their clients under a tree next because they had sign saying "Not safe enough to walk on". We had to provide

two additional towers in Warrens for accommodating public officers. We are now going to do this for the Immigration Department and, Sir, you can name it. This Government has, under the toughest situation provided proper accommodation for its public servants and this is just another example of it.

Mr. Speaker, we rescued the Rural Development Commission from down in St. James or wherever it was where whenever it rained it was mass confusion. The Urban Development Commission was in Roebuck Street and the place was leaking and all kinds of things. There were issues over there and we brought them and put them in new accommodations here just across the road from the Parliament here. Sir, this was in the toughest time when there was shortage of cash, all of those things and we have stepped up to work on behalf of our public servants but, Sir, you know we do not get any credit for it at all, none whatsoever but not that we need it because this is how these things go.

Mr. Speaker, there is \$8 million to improve our competitiveness, the special IDB Programme on enhancing competitiveness of the Barbados economy, which includes creating an economy single window at the Port to improve the containers coming through there, getting the scanning equipment, so that we would not have to have all these physical inspections and we can move containers out of the Port quickly. This equipment is going to come in to Barbados shortly to do all of that.

Mr. Speaker, there is \$11 million for the future programme in the Ministry of Education to build schools for Barbadians, so they can compete better in the world. Sir, how could that be an election spending, what in that is about the elections? We have the electronic single window for the new scanning equipment, what in that is about the elections or about election spending, Mr. Speaker.

Mr. Speaker, there is money to complete the Lodge School. We found the Lodge School in a total mess and it will take a lot more than \$8 million to repair the Lodge School which, Mr. Speaker, Sir, I am sure you would not object to as an alumni of that great institution. Sir, what in that is election spending?

Mr. Speaker, Sir, you can see that these are all capital works and important critical capital works to get the economy of Barbados going and that is where the increased spending is going, so that when you hear people talking these points, you must just take it with a pinch of salt because that is exactly what it is deserving of.

Mr. Speaker, Sir, as we look at the fiscal framework for 2016/2017, I can tell you the following that the framework has been designed () to reduce the level of tax arrears outstanding by major revenue agencies and to

enhance collections (2) to continue to stabilize our economy in terms of our fiscal programme (3) reducing discretionary expenditure and, of course, in order for us to move to a positive net operating balance (4) to strategically reform the Public Sector Investment Programme and to use this as the central plank of any new increases, so that we can achieve the objectives of economic growth to facilitate the private sector. Of course, in their activities to promote growth and to continue to introduce that will reduce cost and enhance revenues generally.

Mr. Speaker, as we use alternative methods, for example, joint public/private sector partnership arrangements to finance private sector investment in the economy where Government can make savings on expenditure and earn additional revenues that will become a critical part of what we are doing.

Mr. Speaker, we want to encourage our public enterprises to implement measures to enhance their revenue generation so that there may be a closer match between their revenues and their expenditure and, of course, to improve their public accounting models and to develop strategies to deal with any Government arrears that are existing in the system.

Mr. Speaker, with that in mind, the financial programme is as follows. The fiscal programme presumes current revenue of \$2,737,600,000 on an accrual basis. Current expenditure exclusive of amortization of \$3,139,500,000 and capital expenditure of \$433.3 million.

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Hon. C. P. SINCKLER: ... current expenditure exclusive of amortisation of \$3 139.5 million and capital expenditure of \$433.3 million. The net operating balance, Sir, is therefore expected -\$465.5 million or 5 per cent of GDP. When converted on a cash basis that would be \$723.3 million and an overall fiscal deficit of \$1 667.3 million on the Accountant General's basis. This represent the financing which will be required during 2016/2017 in total. Current revenue is projected to decrease, as I said, by \$24.3 million or 0.9 per cent from the revised figure for 2015/2016 which will be \$2 644.4 million. On the accrual basis the estimates of revenue for 2016/2017 have been constructed with the following economic assumptions. Where GDP growth of 1.6 per cent a nominal GDP growth of 2.9 per cent. A GDP deflator of 1.6 per cent, inflation of 1.3 per cent, import cover of 13 weeks, tourism GDP growth of 1 per cent, traded section growth of 1.1 per cent and growth in retain imports of 1.5 per cent, retain imports are estimated to be \$2 719.6 million. The estimates for

2016/2017 project current expenditure on an accrual basis of \$2 737.6 million revenue to be collected during 2016/2017 year is set around 28.5 per cent of the GDP estimated at \$9 263 million to \$2 644.4 million. The historical trend, as I said, for revenue collection as a percentage of GDP is on average about 28 per cent. Taxes on incomes and profits are projected at \$823.1 million. When bad debts are taken into account the amount to be collected on a cash basis is expected to be \$796.5 million and increase of \$6.4 million or 0.8 per cent over the amount projected to be collected in 2015/2016. Income tax is expected to have a slight increase of just \$1.8 million to produce \$796.4 million. Mr. Speaker, this is a result of a mirroring of the tax rates so that is why you are going to get, as you know we lowered the tax rates so we expect to get a little less than we would have got in the current financial year.

Corporation is projected to increase by \$9.1 million or 4.5 per cent to \$210 million. Taxes on property are expected to realise \$151.9 million, an amount of \$8.4 million than the amount projected to be collected during 2015/2016. Taxes on goods and services are projected at \$1 346.8 million or if you do it on a cash basis this is expected to be \$48.4 million or 4 per cent more than the previous year or \$1 301.8 million. This tax category receives its impetus from VAT, as you know, and Excise Duties which are expected to contribute \$914.4 million and \$216.3 respectively to the Treasury during the fiscal year.

Additionally, an amount of \$22 million is expected to be received from the Tax and Bank Assets. Import duties are projected at \$220.4 million increasing by \$1.8 million over the projected amount for the fiscal year 2015/2016. Special receipts will climbing by \$18 million to \$30.5 million and non-tax revenue is expected to decrease by \$78.6 million over the revised amount of 2015/2016. It is to be noted that the amount of \$75 million for the same of Barbados National Terminal Company Limited has been included in the revised projections for 2015/2016 so that is why you see that decline in non-tax revenue of \$78 billion.

The Government of Barbados is expected to receive grant income of \$9 million from the European Development Fund to assist in carrying out the human resources sector strategy and the skills development programme, \$17.3 million from USAID for the amalgamated LABS Project and, of course, the Storm Water Drainage Programme with the Ministry of Environment.

In terms of expenditure, expenditure on the accrual basis exclusive of amortisation of \$821.7 million is project at \$3 139.5 million. When converted on a cash basis, and bad debts and depreciation expenses are excluded, current expenditure is expected to increase by \$96 million or 3.2

per cent over the 2015/2016 period which revised to show \$3 076 million.

Wages and salaries are expected to increase from the revised figure in 2015/2016 by \$17.8 million or 2.4 per cent to reach \$5 078 million. This increase will almost be entirely due to the payment of annual increments which are required by law.

Expenditure on goods and services is expected to increase by \$106 million from the revised figure in 2015/2016 to \$459.9 million. This is mainly due to a decision, as I said before, to reduce allocation in the fourth quarter of 2015/2016 by 5 per cent of the approved estimates of Bds\$444 million so that if matched against Parliament approved at the beginning of the financial year for 2015/2016 the base line increase in actual goods and services expenditure is only \$15.9 million. Their increase is also attributed to the follow:

The 50th Anniversary Independence Celebrations \$5.7 million, Integrated Coastal Surveillance System \$2.5 million, ID Card project which is being revert \$1.8 million, work on the secondary schools in December of \$1.7 million, and the Town and Country Planning Department in relation to the Physical Development Plan which has to be ready by law by a particular time and this is the year that they have started that process and that is \$1.5 million.

The Office of the Attorney General will get \$1.7 million and this is to pay the lawyers and the others who participate in the community Legal Service for persons who have legal issues but are unable to pay it via the lawyers.

Current transfers are projected to decrease from the revised amount in 2015/2016 by \$88.2 million or 7.7 per cent to \$1 059 million. It should be noted that the Ministry of Finance and Economic Affairs anticipates that during the next financial year, we will have supplementaries as is normal for the QEH to top up their vote, the UWI to top up their vote in terms of covering economic cost and, of course, for the Barbados Transport Board to top up their vote as well so that we get into this annual exercise, Mr. Speaker, where Members of the Opposition, ... I heard it on the radio coming down saying oh, they have cut this and the QEH is getting this and this body is getting this and they are only giving the University this when \$110 million is what they need when we all know that it has been the practice year on year even before we got into Government, you would put in a base amount in the Estimates, you see what happens during the course of the year then you make the allocation in terms of the additional supplementary to top up just before the end of the financial year. We know that happens, every year it happens and yet they come back and say the same thing again. Oh, you have cut this body and you have cut that body to give the public the

impression that we are cutting education, healthcare and so forth, which is not true. Last year, the QEH came to the Government, specifically to the Minister of Finance and it said our base allocation is \$146 million, but we have a couple of capital things to do in terms of capital spending projects. We have a software package that we want to deal with the records and so forth and we have a couple of arrears that we want to pay off immediately, we need an additional ...

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Hon. C. P. SINCKLER: a couple of capital things to do in terms of capital spending projects, we have our software package that we want to do with the records and so forth and so on and we have a couple of arrears that we want to pay off immediately, and we need an additional \$9 million and we gave them, some one-off expenditure, and that pushed the figure up to \$155 million. This year they did not request it because they did not need it so the thing gone back to the \$146 million that we normally give them and somebody rushed out of the road work... I call the persons Onee Deane. There rushed out, file for political relevance, oh it is dastardly that the Government is cutting the Queen Elizabeth Hospital budget by \$9 million and giving the money to the Independence Celebrations Secretariat. I mean really man. Even with the layoff supposedly from politics, we thought that it would have recharged his brain only to discover that the brain is still lacking oxygen. It is not working. It is the same thing. Imagine that some people discard a brilliant responsible Shadow Minister, not that we agree with everything the former Shadow Minister said, but at least the Shadow Minister applied herself to commonsense and scholarship and now you got roly bony back on the political scene. These political cadavers dusting off the dirt and declaring they...

Asides.

Hon. C. P. SINCKLER: They got one. You know very well enough what I mean. They got one who was running all around in St. Joseph and St. Andrew harassing my friend, the Honourable Member for St. Joseph, the political cadaver now crawled into the ground and somebody signed his death certificate to be rescinded or to be revoked in Roebuck Street. My friend said it is not happening.

Asides.

Hon. C. P. SINCKLER: We have gone past these things. We have gone past that. You got people coming out to confuse the politics in Barbados. We have past that. We have gone on now. This is what good and forward looking

leadership is about where you got to dip your hand back down in the lucky dip to see who you could pull out and all you are pulling out are political cadavers.

Asides.

Hon. C. P. SINCKLER: We are going to get to all of that later. I just want to say, Mr. Speaker, that there is no cut in the Queen Elizabeth Hospital's budget. In fact, we have had a programme going with the Queen Elizabeth Hospital people and the Ministry of Health discussing public financing of health in Barbados. We expect during the course of this financial year that the Government would be able to bring to Parliament not only the findings of that discussion but firm recommendations for the proper financing of public health in Barbados and it would not include asking Barbadians to pay for services at the Queen Elizabeth Hospital neither, I could tell you that straight off the back because we are committed to free service at point of delivery, universal access to all, and that will continue but we would have to find innovative ways to ensure that we can support both public financing but also for those persons who can enjoy private service in the private healthcare community, which is growing by leaps and bounds and giving us new and more sophisticated treatments and medicine in Barbados.

Mr. Speaker, there is no cut in the Queen Elizabeth Hospital's budget and there is no cut in the Ministry of Agriculture's budget neither because I hear some of them out there promoting that too. I saw on Barbados Today, some website, food crop production cut. It is not true. We could go through the Estimates. I know that is why some of the Members of the Opposition do not want to get to the Heads because all Ministers can get up and show conclusively where a lot of that is not true, but they do not want to get there.

Asides.

Hon. C. P. SINCKLER: No, I am going to say what I am going to say. I am going to wrap up shortly.

Mr. Speaker, Sir, current transfers are projected to decrease by \$88 million or 7.7 per cent to, as I said, \$1 059 000 000. As I said we are going to have supplementaries during the course of the year for the Queen Elizabeth Hospital, the University of the West Indies and the Transport Board.

We have also put \$2.6 million in these Estimates to cover the first part of the operations for the staff of British American Insurance Company Limited in relation to the restructuring programme, so the question that the Leader of the Opposition would have asked when we had that debate, the money is programmed in here to cover for the pensions

and other payments that we have to make in relation to that, and that starts the ball rolling for this financial year.

Non capital assets consisting of the repayment of loans are projected at \$7.7 million, the same amount as in the previous year. Interest payments in 2016-17 are expected to increase over 2015-2016 by \$56 million or 8.3 per cent to \$736.8 million while amortisation of \$964 million is projected decreasing by \$42.3 million or 5.1 per cent over the revised figure for 2015-2016. In other words in terms of debt payments they basically cancelled out themselves. We have less amortisation payments by 42 and slightly more interest payments of \$56.7 million.

Capital expenditure is projected to increase over the amount for 2015-2016 by \$36.7 million and 9.2 per cent to \$433.3 million. Capital projects are projected to increase over the revised 2015-2016 figure by \$146.8 million to \$221.3 million. This amount is expected to be \$116 million more than the amount approved for 2015-2016. These increases are attributed in part to enhancement of the immigration service, \$6.2 million; Public Sector Smart Energy Programme, that is to change the street lights to LEDs and more efficient energy usage and put in place the photovoltaic systems on Government buildings to help reduce the electricity bill and save Government money; the CAF road rehabilitation programme of \$12 million; the Licensing Authority is going to purchase an electronic vehicle registration system or EVR for \$2.5 million which is going to help us to better both register and track payments of road taxes and so forth and make that system far more efficient; the amalgamated labs, which is grant funding, is \$11.6 million to be exact; the Inter-American Development Bank road projects \$7.1 million; Sam Lord's Castle \$80 million; and statutory investments \$12 million. We are talking Mr. Speaker, about capital projects that will increase by \$116 million. In fact, when you take the capital assets you are creating plus the capital spending increase you are talking about close to BDS\$150 million additional in capital spending.

Asides.

Hon. C. P. SINCKLER: Enhancement in immigration services; Public Sector Smart Energy Programme; CAF road rehabilitation project; Licensing Authority system; Inter-American Development Bank project; Amalgamated Labs; and Sam Lord's Castle. This is not any election, that is spending for the economy of Barbados. It has to be additional because it is new, this is what we are doing.

A lot of these, Mr. Speaker, are already in the system. We have been conducting the Public Sector Smart Energy Programme for a number of years. The money for immigration was negotiated about two years ago and it is finally coming through.

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Hon. C. P. SINKLER: We have been doing the money for the Immigration Department that was negotiated about two years ago, it is finally coming through. The Barbados Licensing Authority electronic vehicle registration has been in the work since you were a Minister. It is now coming to fruition. The laboratories which were donated by the United States of America, that has now come through, and the Sam Lord's Castle, of course, as you know we have been working on for a number of years, so it does not have to do with any election spending, these are the projects that are happening.

Capital transfers are projected at \$63 million, less than the revised figures for 2015-2016. Please note that we gave \$123 million approved last year 2015-2016 and that largely because of the Barbados Water Authority projects, as I identified before. Some of those projects are winding down, like the Mains Replacement Programme so therefore you do not need as much money as you would have needed in the current year.

Capital transfers will be provided as follows:

a. \$22 million to the Barbados Water Authority for the projects that we spoke about;

b. \$3 million for the Sanitation Service Authority to help service the purchase of trucks to help upgrade the system;

c. \$1.5 million to the Urban Development Commission;

d. \$1 million to the Rural Development Commission;

e. \$2.1 million to Caves of Barbados;

f. \$4 million to the Barbados Conference Services Limited. Of course, to complete the renovation and upgrade work for Government offices for public servants;

g. Inter-American Development Bank enhanced access to credit for productivity. This is the programme where commercial institutions, where the small and medium sized businesses will go to the Central Bank of Barbados or to commercial institutions, they will present their business plans, the support they require. The Central Bank of Barbados through this programme will provide a guarantee to back the loan when the commercial institution gives them the loan, once they qualify for it. That will help a lot of small businesses to do great things in Barbados.

Mr. Speaker, so that the fiscal balance, as I indicated previously, current revenue is \$2.644 billion, of which \$2.516 billion is tax revenue; \$128.3 million is non-tax revenue and grant income.

Total expenditure, \$4.331 billion, consisting of current expenditure of \$4 billion or \$4.4 billion and capital expenditure of \$291.6 million. On an accrual basis therefore the net negative operating balance of the Government, our deficit as we call it, it \$465.4 million, representing 5 per cent of Gross Domestic Product.

In 2016-2017, it is estimated that \$1.496 billion or 88.7 per cent of the fiscal deficit on the Accountant-General basis is the overall deficit, will be financed from domestic sources. The balance of \$191.4 million will be foreign finance in the form of capital projecting flows.

The major activities that you would see highlighted in here, or some of them at least, can be listed as follows:

1. A current subvention of \$146.3 million to the Queen Elizabeth Hospital, and I spoke to that issue already.
2. A subvention of \$89.9 million and \$9.1 million for the Barbados Tourism Marketing Inc., and the Barbados Tourism Product Authority.
3. Invest Barbados has been allocated the sum of \$10.3 million to carry out its operations;
4. \$12 million and \$7.1 million has been provided through the CAF and the Inter-American Development Bank for the world programme;
5. Grant funding of \$26.3 million has been provided as budgetary support and to assist with carrying out of the following programmes: human resources sector skilled strategy and skilled development programme, Storm water management plan and the amalgamated labs;
6. A current subvention of \$26.6 million and a capital subvention of \$3 million to the Sanitation Service Authority;
7. \$11 million for the public sector Smart Energy Fund; that again is funded programme by the Inter-American Development Bank;
8. A current subvention of \$71.3 million is provided to the University of the West Indies. As I indicated we will come back again later in the year as we know what is taking place and how much money they require;
9. A current subvention of \$19 million has been provided to the Welfare Department to support the (??) in our society;

10. The Skills for the Future programme under the Ministry of Education, Science and Technology, and Innovation has been provided with an amount of \$11.9 billion. Again, this is a funded programme by the Inter-American Development Bank;
11. An amount of \$12 million is provided to the Barbados Drug Service for the purchase of drugs.
12. US\$18 million for the Sam Lord's Castle; and
13. \$32 million for the Barbados Water Authority.

Mr. Speaker, that is the major spending programme of the Government for 2016-2017, that is the deficit of 5 per cent and as I said going forward, as we go into the financial year and our management requires, we will make whatever adjustments that are necessary in that regard.

Mr. Speaker, as I conclude, when this Administration took office in 2008 we did so full of every piece of enthusiasm that you could ever imagine, we had a full mandate and a bold programme to advance a progressive agenda in Barbados, that we know is absolutely critical to the success of the country and the development of our people.

Mr. Speaker, few, least of all ourselves, could have imagined the serious challenges which we have encountered as a result of the cleanup effort left by the last Administration or worse yet, the absolute virulence of the world's worst recession in nearly 100 years. Sir, it has been tough and some of the weakened minds among us have counted on this Government to fail. Indeed, some in here, Mr. Speaker, Sir, overanxious for office, yet underprepared to deal with the challenges that the country faces, predicted that this Government would fail and that Barbados would implode.

Mr. Speaker, we have to say it again because it is true. They said that the Government would collapse within a year of coming into office and it did not happen. They said they expected we would collapse when our dear Leader passed on to the Great Beyond, and that did not happen either. Again we were expected to fall after the last election, we were given a year to fall. When that did not happen, they say that within one year the dollar would have been devalued, chaos would have rained...

Asides.

Hon. C. P. SINKLER: They said that the country would run out of foreign reserves. They say that mass confusion would reign and prevail. Sir, they even said that the Government would lose numbers, instead of us losing numbers, the Opposition has lost numbers. Who they have not lost, they have kicked out, Mr. Speaker, Sir, and all-

embracing as we are, we have received everybody in the middle of the yard, both those who want to be with us and those who do not want to be with us. We still receive them. Yes, Sir, this Democratic Labour Party Administration is still here and our country is still here too, and I have news for all detractors, Team Barbados is going nowhere. We are going to be here right down to the end, ensuring that we improve the lot of all Barbadians, because the measure, Sir, of the man, a woman, an organisation, an institution or a country is not how well it does when times are good, that is how strong we are when times are tough, and the key to winning, Sir, is faith in the Almighty God, confidence in your capacity and in the determination to succeed through dint of hard work and patience with progress.

Sir, the circumstances of all of our lives in Barbados changed in 2008, indeed for the rest of the world it changed and this Government changed to suit the new imperatives we faced, while never forgetting our ultimate mission to improve the quality of life and the standard of living of all Barbadians.

Mr. Speaker, with good cause and fortuitous intentions our progress was slowed, though not halted, but now because of our steadfastness, our hard work, our sacrifice as a nation, the sun is once again present and shining on Barbados and those shining rays of hope....

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Hon. C.P. SINCKLER: ... The sun is once again present and shining on Barbados, and those shining rays of hope will once again light our pathways to progress as we continue to advance the development of this blessed country and the wonderful people who inherit it, Mr. Speaker. We will do it with or without the Opposition, because it is our mandate on behalf of the people to ensure that we deliver on their behalf. With those words, Mr. Speaker, I am indebted to you and to rest of the country, and I am obliged to move that this Bill be read a second time.

MR. SPEAKER: I am obliged. Yes, Honourable Member.

SUSPENSION

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move that this Sitting be suspended for lunch until 2:30 this afternoon.

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

The question that the Sitting do now suspend until 2.30 p.m. was put and resolved in the affirmative without division and MR. SPEAKER suspended the Sitting accordingly.

1.14 p.m.

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RESUMPTION

Madam DEPUTY SPEAKER: This Honourable House is resumed. When the House was suspended it was Government Business and to that we shall return.

The Honourable Member for St. Michael North East.

Miss M.A. MOTTLEY: Thank you very much, Madam Deputy Speaker.

Madam Deputy Speaker, it can truly be said that this House just received before lunch what was easily described as one of the worse Estimates presentations ever since Independence. I really indicated last night that the political games had begun and the circus is back in town and David Copperfield is under the big tent and I intend to show today why the people of Barbados ought truly to be disturbed at a Minister of Finance who changes measurements and comparative analyses speech by speech such that numbers can look good. What we had more than anything else today from this Minister of Finance can be described as bombass, bluster and even blundering when he became the only Minister of Finance in the history of the company to try to extract amortization from revenue, that is what Barbados has been reduced to.

Madam Deputy Speaker, it is a sad thing because after the bombass and the bluster and the attempt to try to paint a rosy picture, the average Barbadian out there is entitled to ask some questions. If things are so rosy and if things are presenting themselves in a way that all of these successes that are being bestowed upon the country, why is the ordinary Barbadian individual, family, business, continuing to face the worse times of their lives. Madam, by every measurement this Government has failed especially according to their own measurements.

Madam Deputy Speaker, I intend today to take my time and to go through many of these things because it is easy to come in here and clearly, I apologise if we offset the Minister of Finance with our comments this weekend because he spent half of his speech seeking to respond to them and then when he reached the point on economic data he literally run it as if he was going around the Garrison or if he was Usain Bolt making a guess appearance at the National Stadium such that a person could not follow what he was saying. Once, he came to anything approximating

economic and financial data but we have to expect these things from the Honourable Minister.

Madam Deputy Speaker, while I do not intend to spend a long time on figures in here today, I need to start with really and truly, what he started with and what really needs to be debunk from the start because I suspect that there are innocent members in this Honourable Assembly, who have not realise what the Minister sought to do and the first thing was to suggest that he had so succeeded in being able to bring the deficit down to 4.2 per cent when in truth and in fact this Minister in all of his previous presentations, including his Financial Statement and Budgetary Proposals of 2015, has been speaking to a deficit according to one measurement and has sought today to come measurement and has sought today to come in and use another measurement today, so that Barbadians remembering the numbers alone would believe that true success has emerged at his hand. Madam, what I am referring to. I will take my time and if necessary, I will use a calculator if you allow me because clearly anybody doing it would come to the same conclusion.

Madam Deputy Speaker, I want to quote from page 22 of the Honourable Minister of Finances' statement last year where he said these words referring to the previous year: (5:13)

"The deficit of \$592.1 million represents 6.8 per cent of GDP at market prices of \$8.7 billion using the IMF accounting method, the deficit is calculated at 6.6 per cent of GDP. The deficit in the corresponding period of 2013/2014 was 11.6 per cent of GDP".

Madam Deputy Speaker, there are three different measurement in here and two which this House is accustomed hearing from this Minister of Finance and previous Ministers of Finance. I really Honourable Members to take the time because it is important to understand what this Minister did today when kept referring to negative operating balances and a deficit of \$4.2 per cent when in truth and in fact in his own Estimates that we are debating at page 2 the figure of negative 6.3 per cent is on the basis of the International Financial Institutions (IFIs) basis and in fact represents a figure of 6.3 per cent but is premised, this is the key point, is premised on the Government taking in a level of revenue that it has never yet projected that it would take in. Madam, the first simple point to make is that the Minister is comparing apples with oranges in reporting to the country.

Madam Deputy Speaker, that is not acceptable behaviour for in here and if I were elsewhere, I would have to find a different set of language other than calling him David Copperfield that Barbadians may more readily relate to particularly as they traverse through Bridgetown and the markets when people are playing with cards.

Madam Deputy Speaker, being in this Honourable House, I will not resort to that kind

Asides.

Miss M.A. MOTTLEY: I did not say that. I would not use that kind of language to describe any member in this Honourable Chamber but David Copperfield would suffice for now because you cannot now come at the last minute and change the measurement trying to suggest that it went from 11.8 per cent down to 4.2 per cent. Madam, I remember it clearly because when I looked at the Estimates, I said that the figure was 6.3 per cent and then I wanted to work out how he got the 4.2 per cent. Madam, he took the negative operating balance of \$357.1 million and divided it by the GDP of 8921, a figure that they do not even put in these Estimates for Honourable Members to consider a determination and tracking what has happened in every previous year when these Estimates have been laid, so into the mix comes a new metric in the hope that Barbadians would only remember the numbers and forget that you are comparing apples with oranges or more likely you are comparing apples with flour because they are so far off.

Madam Deputy Speaker, I say to you that our comments in relation to these Estimates stand and year after year, Madam, we have come to this Honourable Chamber since 2008 and we said that we are going to carry you back. We said that the projections were overly optimistic and go beyond the bounds of what is acceptable. Madam, in fact what ends up happening is that the deficit ended up ballooning because the expenditure was not cut to suit realistic revenue and that is why for the first time in history of this country rather than having a current account deficit spending more than you are earning as an aberration, as a one-off like we did in 1962, like we did in 1974, in 1987, in 1989 and in 1991, what we have now is the unacceptable situation, Madam Deputy Speaker, of this carrying us and casting in concrete a current account deficit, spending year by year, 2008, 2009, 2011, 2012, 2013, 2014, 2015 and yet again in 2016, not putting the country in any position to become fit for purpose and for growth to return, seeing debt accumulating at a rate ... We left debt just under \$6 billion and in seven years, this Government has accumulated more debt than the Barbados Labour Party (BLP) accumulated in 14 years. That has come from accumulated deficits in part because debt is only accumulated deficits. You may add other things to debt but let me carry you through this exercise because in 2008 they overestimated revenue by 22 per cent.

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In 2009/2010 they overestimated revenue by 22 per cent. In 2011, they overestimated it by 22 per cent again. In 2012, they overestimated it by 15 per cent. In 2013, 22 per

cent again; in 2014, 20 per cent; 2015, 22.9 per cent and this is for February and March alone. They want us to believe that in February and March of this year the Government is going to raise 30 per cent of its overall revenue in these two months.

When I relate back to what the actual out turn of revenue was when they kept overestimating February and March, you will begin to see and you know I come to talk about the quality of a presentation in these Estimates and the process because these Estimates are full of errors and absent of explanatory notes but 30 people, elected by members of this country to do their business must come in here and deal with paper that is missing all kinds of information and hope and pray that you can hear Minister of Finance when he get to the Economic and Financial sections moving at 100 miles per hour to gather data that is not even to you in your hand, but we are not complaining, we will do our job. We will do our job, Madam Deputy Speaker, because the people of Barbados are suffering too much under the rate of incompetence and lack of caring and corruption of this Government.

Madam Deputy Speaker, I want to be very clear that this over projection of revenue in February and March is not something that we are speaking to for the first time this year. What were the results? In 2008/2009, this Government projected that they will raise \$2.694 billion in revenue. Madam Deputy Speaker, do you know what they raised? They raised \$2.56 billion a \$130 million less than what was projected and virtually every Honourable Member on This Side warned them that it was optimistic a project. In 2009/2010, they projected \$2.815 billion and raised \$2.5 a reduction of \$290 million from what they expected to raise but the expenditure was suited for that optimistic revenue projection. In 2010/2011, the difference was \$100 million, \$2.51 to \$2.41. In 2011/2012, when they had the least generous project for February and March of 15 per cent, the overestimation was only \$56 million reinforcing the point that I am making in here today, that these Estimates are predicated upon false assumptions.

In 2012/2013, they projected that they would raise \$2.62 billion, they raised \$240 million less at 2.427 per cent. In 2013/2014, they projected that they would raise \$2.64 billion, they raised almost, Madam Deputy Speaker, \$350 million less at \$2.408 billion and in 2014/2015, they projected \$2.54 billion and raised \$120 million less at 2.422 per cent and now this year, all of a sudden ... That is over \$1 billion in over projects in over-projections of revenue since 2008 by this Government. No wonder this country is in the state in which it is because the revenue is the basis upon which they then compare what expenditure they can accommodate and even in going for deficits that were unsustainable the situation became worst because the Government failed to come to a reality with the revenue to which was there. It led to the largest infliction of taxation

by any government starting in 2008, continuing in 2010, 2011, 2013, 2014, 2015 and the people of Barbados are, on average, \$8 000 per family worst off, because of the additional taxation inflicted on them by this Government. I say to you, Madam Deputy Speaker, that when therefore this Government tells us that it intends to raise \$802 million in February and March which is \$250 million more than it raised in February and March last year, what has happened in the Barbados economy? What has happened in the Barbados economy in February and March of this year that is so uniquely different that will cause this Government to raise that kind of money in these two months. I will accept that the BMTCL sale that we were hearing about since before the last election in the 2012 Budget, as the Minister of Finance, he says, but that is going to come. I will come to that in a minute, but that is only \$75 million according to him. Yet we have investment income listed in the Estimates for which there is no explanatory note and even if we take off that \$75 million from the \$250 million you are left with \$175 million more than the Government says it is going get in February and March.

Do you know what, Madam Deputy Speaker? Like I said in each year since 2008, we shall wait and see because every year that we waited and saw, we saw a ballooning of the deficit, we saw an overoptimism on the revenue translate into a dismal performance and this Government continues to want to country to believe that hope is a strategy because year by year we have said to you that these Estimates are based on revenue that is hope at best and deception at worst. Well hope may be a strategy but deception is a criminal act and I trust and pray that while the people of Barbados watch on, they appreciate that the actions may be the Government's but the consequences are the people, the consequences are our and he saw the consequences because they refused to reach a position where they confronted reality prior to the last election and within six months of the election gathered everybody at the Hilton Hotel to unfold the news that the economy was in shambles and then to inflict a scale of suffering through layoffs, through in allowances, through additional taxation and then today, want to tell us that the sun is shining. Is that how he ended off, the sun is shining? The sun is not shining for the people at the hospital. The sun is not shining for the people who cannot get their garbage collected. The sun is not shining for the people whose children cannot go to the university or for the children themselves who now have to contemplate a Barbados that their older brothers or sisters or their parents did not have to contemplate because we guaranteed them a right to be educated free of cost at the University of the West Indies prior to this Government. When you add all of these things together I say to you on the pure Estimates, this continues to be a document in which we can repose no confidence, Madam Deputy Speaker.

Seq 21.

Madam Deputy Speaker, let me carry further to the point because you cannot tell me that you are going to spend \$4.239 billion this year, and the Minister stuck to these figures, and that you are going to raise \$2.668 billion in revenue, the difference is \$1.570 billion, and if you took out amortisation for this year of \$1.6 billion, you are left with \$564 million, and if you take \$564 million and divide it by the Gross Domestic Product of \$8921, what is the miraculous figure that comes up - children in primary school with a calculator can do this figure and then multiply it by 100 - 6.3 per cent, but this Minister comes in here today and tell us that the deficit is going to be 4.2 per cent using a measurement, that he did not use in the Budget last year, different from other Ministers of Finance including the former Prime Minister all to make a point that he has achieved in bringing something down to 4.2 per cent when the number bears out 6.3, and if you use the Accountant General's basis, the same thing again. Then when you come to next year, oh we are going to go to 5 per cent when in truth and in fact the appropriate measurement on the IFIs basis goes from 6.3 to 7.8 per cent. Madam Deputy Speaker, I want to tell you that I do not accept that the deficit would be 6.3 for the reasons I just gave you over the projection of revenue and we still have another \$21 million to vote in here for the Transport Board and the last supplementary that we voted as well, another half of 1 per cent of Gross Domestic Product that carries it to 6.8 and any reduction in revenue will carry it further, but this is what this House is being and this country is being...

Madam Deputy Speaker, it comes down to tone and behaviour. I have no interest in commenting on anything about the Minister of Finance other than in the exercise of his public duty. I am saying to him that he caused me grave disappointment on a number of issues in the last year. First, we were told that the International Monetary Fund Article IV Report for 2014, which would have come out in the 2015 that we would get it, there was no reason for the country not to receive it. Barbadians, of course, have gotten it every single year but there is an Article IV Report.

Indeed, the other aberration was in 2012 when the Barbados Labour Party remarked that the Central Bank Governor and/or the Ministry of Finance refused to allow the International Monetary Fund to come to do an Article IV assessment of the Barbados economy as it is required by our agreement with the International Monetary Fund. We know now why they could not let the International Monetary Fund land in Barbados to do that report in 2012 because the outcome for the elections in 2013 might well have been different because the truth would have come from a different source.

Madam Deputy Speaker, do you know that in spite of the Minister assuring the country that this Article IV

Report would come out for 2015, that it is yet to be publicised or distributed either locally or internationally. The point that I want to make simply is that we have done more damage to the brand of Barbados by suppressing this report than by people reading a bad report. Madam Deputy Speaker, it amazes me how fast and loose we play with this country's reputation. The rest of the Cabinet must stand up and ask the questions because the international community would want naturally to go to an independent assessment of this economy and one of the first documents they would go for is the Article IV Report particularly if we have to go back to the foreign capital markets to raise any bonds.

Well, I suppose in spite of they did not go last year, and the reality is that the newspapers in Barbados and the majority of people in Barbados have even forgotten that the International Monetary Fund gave a Report in 2015 and that the International Monetary Fund Report in 2015, if we were ever to see it, what would it say about the quality of Government's data. I want the Minister of Finance to tell us that. What would have been said about the arrears that this Government continues not to bring to book but the Minister can in a press conference say we are going to keep supplementaries down? Well, the easiest way to keep supplementaries down is by not letting them come to Parliament, but that does not mean that the liability is not there and that is why the Ministers on the other side have businessmen hurting their ears on a weekly basis about the amount of money that Government owes suppliers and businesses of goods and services in this country because the Government refuses to bring the liabilities to book.

What would the International Monetary Fund have said, and the media needs to ask the Minister of Finance these questions. The Opposition can point the way but the people believe that the Opposition would of necessity be political, well do not believe us, ask the Minister of Finance and get a copy of the Report yourself because the people of Barbados for as long as we have had a relationship with the International Monetary Fund have had the ability to take the Report and read it and make independent judgements. We used to have that confidence in the Central Bank but we cannot have it anymore because the Central Bank Report has now become propaganda machine number 2, and when you look at the Central Bank Report, we used to get an economic review of actual data, not editorial commentary about the Government or not language designed to be a public relations machine for the Ministry of Finance. This is the same Central Bank Report. Look at it here. I brought it because we have short memories. In September 2014 a Central Bank Economic Review under any other previous Governor of the Central Bank used to be a substantive document of data, and we are now having to put up with editorial comments.

In September 2014 what did the Governor purported to tell us: That the Barbados economy is firmly set on the

path to sustainable growth led by sectors and activities with which we have a demonstrated comparative advantage. The Barbados economy is forecasted to grow by 3 per cent in 2015 and 2.3 per cent in 2016. Well, the same International Monetary Fund made the mistake of coming out and saying that it would grow by .8 per cent, and they get cursed like how the lady from Royal Bank got cursed in here today, using the Floor of Parliament to attack people for differences of opinion, entirely un-Barbadian, entirely unacceptable for any Member of Parliament far less a Minister of Finance who must depend on the cooperation and confidence of those in the financial sector to help steer this ship called Barbados safely. Where was the 2 per cent growth that the Governor talked about in September 2014? We have to remind people of what passes for commentary in this country because every time there is a new speech, it is as if they wiped the hard drive and then want us to believe these rosy things in a vacuum. Well, as long as there is a Barbados Labour Party, there would not be any belief in a vacuum because we would hold you accountable.

The Caribbean Development Bank comes out with a different statement, and they too become the victim of the Minister's tongue.

Sequence 22 They too became the victims of the Minister's tongue. Yesterday it was bad enough that the Honourable Member went on the back page, and what is the lady saying? Today ought to be a discussion in this country as to our options that we continue to have a chronic fiscal deficit problem, and that that discussion about our options merits mature discussion. Madam Deputy Speaker, rather than seeing it as a difference of opinion, because nobody can force the Ministry of Finance and Economic Affairs and the Governor of the Central Bank of Barbados to deal with the debt problem in a way that there is almost consensus across the country, including the Ministry of Agriculture, Food, Fisheries and Water Resource Management who to his credit has remained steadfast in his position that you cannot pay out \$0.69... The Right Honourable Member for St. Peter whole speech last year was premised on that, that you cannot pay out \$0.69 and expect to stabilise this economy and to bring back growth.

Madam Deputy Speaker, in fairness to the rest of the Cabinet of Barbados, I think they are bewildered because the presumption of regularity would suggest that the Minister of Finance and Economic Affairs ought to be correcting the Governor, so why is the Ministry of Agriculture, Food, Fisheries and Water Resource Management behaving like a bad boy? Why is the Ministry of Agriculture, Food, Fisheries and Water Resource Management holding his position? Why is the Minister of Agriculture, Food, Fisheries and Water Resource Management writing letters to the Right Honourable Prime Minister, published in the paper, making the point that we

have reached a state in our affair...? Whether we agree with him on the solution and we may not fully, but we agree on the problem and we agree that we cannot continue to pay \$0.69 in the dollar in debt service, \$0.30 in interest alone.

Madam Deputy Speaker, what are the figures and facts? Our interest in this country has risen at an astronomical rate under this Government. When the Barbados Labour Party left Government it was paying \$342.7 million in interest. This Government moved from \$342.7 million to \$435 million, to \$507 million, to \$608 million in 2013-2014, to \$665 million in 2014-2015, to \$695 last year and this next year coming from April we are going to be spending \$730 million in interest alone, a figure that is almost the same amount as what the Government of Barbados spends in wages, statutory and non-statutory personal emoluments.

Madam Deputy Speaker, do you understand that the same thing we spend to employ 20-somethnig thousand public servants is what we are going to be spending in interest alone? I am praying to God that the amortisation which is a little less this year but it is still in the vicinity of \$165 million, I am praying to God that nobody says they do not want to roll over their debt, that they want full repayment or that they want early repayment.

Madam Deputy Speaker, this is where Barbados is today, and he comes in here to be politics as usual. Madam Deputy Speaker, do you know what hurts me? The last two times I spoke in his Honourable Chamber I gave the Government my blessing on two things: I gave the Government my blessing on any efforts to dealing with public health in this country, because I said it was the second most important thing for a Government to deal with, after keeping a people safe, and that if the Government were to bring Estimates in here that would allow us to treat to (1): sufficient garbage trucks, because we need 35 garbage trucks a year in order to keep Barbados clean, not the amount that will only buy three, four of five trucks, such that we have less than 15 garbage trucks on any one day that is functioning properly. If you get three or four, you might get the amount up to about 20 trucks, just about half of what we need to keep this country safe but garbage leads to public health problems.

Madam Deputy Speaker, I said we would support the starting of a programme to remove derelict houses from communities because derelict houses have not been demolished by the Environmental Protection Department now for more than five or six years. In the dry season you have problems with rats. In the wet season you have problems with mosquitos, chikungunya, Zika and dengue fever and we said that Barbadians ought not to be dealing with this because the other problem is that we are too small, that is why we have a record of excelling in public health for almost a century, because of the implications for

people on a small land mass. I said as well, we felt that Barbados needed to be cleaning up; there needed to be debushing; there needed to be a cleaning of drains, because all of that, along with the garbage and the derelict houses, contributes to the health of the nation being put at risk.

Madam Deputy Speaker, I wish I could be in a position today to speak with clarity because the Minister of Finance and Economic Affairs has outlined as a strategic objective today that he would be seeking to protect the public health of this county. Madam Deputy Speaker, there was no such luck. When you come back to it and you realise that your interest cost equate to almost that which you are spending in personal emoluments - \$594 million for statutory and \$164 million for other personal emoluments, and we are spend almost \$730 million in interest alone, and a Government is burying its head in the sand, rather than calling the whole country together. It may be a bit too much to ask the Right Honourable Prime Minister to do that but the Right Honourable Prime Minister needs to do it, the Right Honourable Prime Minister needs to say this is where we are and we have difficult decisions to make as a people, and I give you the assurance that while the burden must be shared, the bounty will also be shared.

Madam Deputy Speaker, it is true that the public might not believe it, since the bounty has only gone into the hands of a few, and literally a few meaning one, two and three, in the last few years but even the public would be happy to hear that you are now taking them into your confidence and mobilising a whole country to stabilise it, rather than giving the appearance, the political illusion of stability. If you talk to any public servant, they will tell you of the debts... the International Monetary Fund say they conservatively estimated the arrears at 4 to 5 per cent of Gross Domestic Product. They also said that they could not rely on the data.

Madam Deputy Speaker, I say to you today this Government must do better by this country. What is the serious discussion that we ought to be having on these matters? Madam Deputy Speaker, people can legitimately disagree as to whether they feel restructuring is an appropriate mechanism or reprofiling or rescheduling, there are issues because 70 per cent of our debt is local but the truth is, that equally, a mature discussion can see whether the National Insurance Scheme which needs its money in the medium to long term, can in fact begin to allow some level of interest and fiscal flexibility in the next three/four years to allow the Government to be able to reduce its debt.

Asides.

Hon. Miss M. A. MOTTLEY: Madam Deputy Speaker that is what is meant by rescheduling, if they cannot, then they need to share with the country because

what it means then is that our situation is even direr than we appreciate. Madam

Seq (23)

Sir, what we do know is that we cannot continue to see the servicing of debt increase year upon year upon year upon year, and I say to you, Madam Deputy Speaker, that the Government ought to treat to this discussion in a mature way; not ignore the Minister of Agriculture or curse everybody else who says that we need to have this discussion. For the Minister to refer to it as scare-mongering, and then to come in here and say, "tell the lady from RBC turn up at my desk next week with the debts and tell us which ones she is going to reduce the rates on". The lady from RBC may not be Barbadian but she deserves our respect, and RBC deserves our respect. This is a company that has been in Barbados for over 100 years. The comments from Members on the Front Bench tell me that this kind of behaviour is given succour by others on the Front Bench. This is not how we behave. The bottomline is, Madam Deputy Speaker, that every person that has sought to express a different opinion to this Government has felt their wrath. Today, a certain teacher who is an Anglican priest received charges for misconduct for daring to just express a view against this Government. On this very day, he received charges for misconduct. He did not attack anybody physically. He stated his view with a Constitution that gives us freedom of expression, so long as he was not libelling anybody. He did not libel anybody because there are no lawsuits even purporting to claim that he libelled anybody, so Madam Deputy Speaker, when I speak about tone, when I speak about the quality of leadership, when I speak about the behaviour of the Government, it is the same behaviour that leads to these unfortunate actions that cause our citizens to believe that they can no longer live freely in the land of their birth. They can no longer express their views freely in the land of their birth.

Madam Deputy Speaker, what should the Government be discussing with us? I ask you to ask them already to tell us what was in the IMF (International Monetary Fund) Report that would have defiled our eyes, that the IMF Report could not have been released last year. I asked you about the underestimation of the arrears. I asked you whether they were concerned about the quality of data. I asked you about what they consider to be the risks which the Barbados economy faces. When I come to assess this Government's performance according to the objectives which the Minister set out in the Budget last year and which were modified from the August 2013 Budget, which were modified from the revised Medium-Term Fiscal Strategy in 2011, which were modified from the Medium-Term Fiscal Strategy in 2010, it is a rolling, rolling, rolling target if ever there was one.

What were the risks? This House spoke to the risks two years ago coming out of the 2013 IMF Report, and we had a serious and sensible discussion on it, but we are not to have it because the Minister, or the Governor or whoever else, has ensured that that Report is not to be released to the Barbadian public. I want the Minister also to tell us what the relationship with Moody's is. Is there still a relationship with Moody's to assess this economy, or has it been brought to an end? I genuinely do not know, but I really would like to know whether that relationship with Moody's still exists, and I would like to know to what extent much of what we are doing here is window-dressing for Moody's and Standard & Poor's and not for the benefit of the Barbadian population. This is what it appears to be in relation to the political optics.

Madam Deputy Speaker, I also want to come to the targets that the Minister himself set. The Minister told us today that the deficit is down, and I just dealt with that. The deficit for this year appeared to be down but it is going back up next year, and he has not told us with good cause why he is breaking his own rule that there must be fiscal consolidation and a reduction in the deficit. The deficit will move next year up from 6.3 to a minimum of 7.8 and, by his own admission, that does not include the full requirements of a number of institutions to which I will speak later. The Minister said at Page 24 of his Budget that he wanted to achieve in his national medium-term economic objectives "continued stabilisation and growth of the international reserves to an average of at least 20 weeks". When the Minister first introduced the stabilisation programme in August 2013, one of the things he said was that there was a steep decline in the reserves because of an absence of confidence in the Barbadian economy. At that time, in 2013, we still had reserves of over \$1 billion, but the Minister did not want to remind us in here today - and he is the one who has the daily figures, not us -- that at the end of December last year the Governor of the Central Bank reported to us that the reserves had fallen to \$926 million; less than it was when the Minister of Finance said there was need for urgent intervention. The reserves at the end of December 2015 were less than what they were when he said that he had to inflict hardship on Barbadian people. After 3 000 people going home, after all other kinds of taxation and measures being inflicted and institutions starved of resources, could you believe that the reserves in Barbados at the end of December were worse than when we started?

Secondly, I spoke to the deficit, and I just told you it is going back up next year, but for sure it is not 4.2 per cent based on what he projected it would be last year. It is still hovering at 6.3 per cent with a hope that we will get the most extraordinary revenue collection in February and March that the country has ever hoped to get, and with a hope that he can continue to contain supplementaries of which we know there is at least still \$40 million to go on

because of what went as Supplementary No. 9 and what is coming as Supplementary No. 10, and God knows what else. He indicated that he hoped to reduce, to reinvigorate and bring growth to 2.5 to 3.5 per cent of GDP (Gross Domestic Product). I read out for you just now, that at the same time he was saying that, the Governor of the Central Bank was saying it too, and both have had to come and revise. Not only was the IMF closer to the target at 0.8 per cent but growth is in fact anaemic at 0.5 per cent; half of one per cent, so negligible as to be incapable of being seen by the naked eye and certainly being felt by the ordinary Barbadian. By his own measurement, we need at least 2.5 to 3.5 per cent, which we agree with, but we are not seeing it and have not seen it, and this Government is doing nothing either to put us on a path to achieve it, either by way of the provision of resources or by the actions that are possible that do not need financial resources in order to be able to give people confidence and the space and certainty to be able to plan out their affairs. As we all know, businesses and households are the things that drive growth, not governments in themselves.

Then, Madam Deputy Speaker, he set a goal for a medium-term debt anchor to stabilise this country.

Seq (24) 3.26 p.m.

Madam, when you set a medium term debt anchor for 2018 in 2015, you would expect that debt would start to come down 2016, 2017, 2018 but the truth is rather than it being a medium term debt anchor in and around Barbados, it clearly was an anchor set somewhere in the northern Caribbean and the mooring 'pop' because far from that, the debt in this country now is at an astronomical level of in excess of \$13 billion, if you were to take into account the National Insurance debt. Madam, the Government owes the National Insurance Department \$3.2 billion and all this talk that you can net it out, as I spoke to last night, it is a separate legal entity to which the monies owed still have to be paid. The bottom line also is that when you look at central Government debt and public sector debt, the bottom line is that gross public sector debt and the National Insurance debt comes up to a figure of 155 per cent of GDP. The letter written by Minister of Agriculture to the Prime Minister already pointed to the difficulties of that growing debt. If they do not want to listen to the Barbados Labour Party, then listen to your own. This country, therefore, becomes one of the most highly indebted countries definitely in the region and in the Americas but we are going on business as usual.

Madam Deputy Speaker, I say to this Parliament that the Minister of Finance has a duty, along with the Prime Minister to lead a mature and sensible discussion on our debt, on our debt servicing because we will not come back close to anything at all to do with growth in this country if this continues to be our position. Madam, as if that were

not bad enough, the excesses taxation and the absence of opportunities for our people have led this country ...

Asides.

Miss M.A. MOTTLEY: Madam, I am going to make this a document of the House because the Central Bank of Barbados does not collect these figures. I ask my office which fortunately has some of the best public sector Barbados ever has still working it in, to produce them and a gentleman, Mr. Prescod, has produce the calculation of the rates of savings in this country going back from 1975 right down to 2014. Madam, I make it a document of the House because I believe that all members should see it. Madam, for the very first time since 1975, this country is going through a period of dis-savings and at the rate of dis-savings in 2014 was minus 0.1, that even when we had our difficulties between 1975 and 1977, we went down in 1976 to single digit savings rate. Madam, 1991 to 1994, we were able to hold savings because that was predominately a foreign exchange problem and since 2010, our savings rate dropped in half between 2010 and 2011, from 16.3 per cent to 8.3 per cent and by 2014, this table tells us what we already know, that Barbadians have had to pull into their savings in order to survive, whether Barbadian families, individuals or Barbadian companies. Madam, when you look at the situation, look at the figures in relation to the accounts at the commercial banks in terms of the savings.

Madam Deputy Speaker, demand savings in Barbados have fallen in 2007 from \$3.3 billion to \$2.8 billion at the end of 2014. Madam, time deposits in this country in 2007 was at the level of \$2.3 billion, it is now down to \$1.3 billion at the end of 2014. We do not need these numbers to tell us what Barbadians feel every day. Madam, people have had to dig into their pockets and people are reeling trying to keep up with their mortgages or their rent and the bottom line is, Madam Deputy Speaker, that this Government continues to ignore the fact that if you really want growth in this economy, you have to ease the pressure off the households and businesses in order for them to have the ability to spend and then the second part of the equation is that they must have confidence in the Government to spend, to believe that a Government is not going to come like a thief in the night and take money out of their pocket again, to believe that when a Government says these projects are going to start and continue that they will start and continue and do not become a case of hope and optimism and long promises.

Madam Deputy Speaker, Bajans are distressed by the quality of their Governments and when combined with the absence of savings, we are at the worse point we could ever be in the 50th anniversary of our nation's history as an independent country and as an independent State.

Madam Deputy Speaker, believe you me. We take no delight in this because year after year after year, we have come into this Chamber and asked this Government to ease the burden off people and what happens instead, more pressure. When we look at it, why is it that we are not earning. Why is it that our productive sectors are not performing as they should? Sir, when I hear that tourism numbers are up, I am glad to hear that but tourism numbers being up cause me to believe that tourism revenue should be up too. Madam, if tourism numbers went up by 13 per cent and there are finally back at what they were in 2007, would you not expect that tourism revenue be up too.

Asides.

Miss M.A. MOTTLEY: Let us all clap for the Minister of Tourism who took eight years to get beyond the 2007 number. Let us give him that but when we give him that, can we ask him when he gets up to speak later today why is it that revenue from tourism is not yet because members coming do not mean anything in a vacuum. We are not here to count numbers of people, we are here to see what the impact tourists has on this economy. How does it provide job to Barbadians? How does it provide revenue to people selling services and goods to tourists? How does the Government benefit from the foreign exchange inflows either through investment or through spend? Sir, that is what tourism means to us not arbitrarily metric and indices like the Minister of Finance comes in here today to throw at people. He can throw all the indices out the window but when all is said and done, what does it mean to the average Barbadian?

Mr. Speaker, that tourism in 2007 was earning \$2.38 billion to be precise and at the end of 2015, we still struggling to earn \$1.95 billion, almost \$400 million less at a time when the Minister says that we are getting more numbers and you are earning almost \$400 million less. Sir what is worse is that prices have gone up by almost 50 per cent, so if the earning of tourism in 2007 was to be equated to the earning of tourism in 2015, then we should be earning at least \$3.1 billion or \$3.2 billion from tourism and, Sir, what are we earning? We are struggling to make \$2 billion. Sri, that is the reality that all the talks about Sandals ...

Sequence 25

Seq 26 p.m.

We are glad for Sandals because we believe it helped the Government with air lift but it does not help the people with procurement, there is not level playing field still. In the mechanism some hotels have gotten some things others have not but we did not ask Sandals to pass the same criteria that you gave the Bajan hotels so when you tell them, oh you are not compliant with A, B or C Sandals was

not asked that, Sandals got the tax benefits in two to three days and the ones now that cannot get because they are in a debt trap, have no hope of ever being competitive which puts them on a more vicious cycle and that is the state of tourism in this country. As a mature product we all know that there is need for further investment in the quality of our product if our room are to be competitive as against other rooms in the region. I say this with no sense of any glee, the Minister came with a 10-point plan in July 2013, plans for retrofitting and energy and all kinds of things and upgrades to St. Lawrence gap and this and that and that. The Minister has not reported to us the progress on it.

Asides.

Hon. Miss M. A. MOTTLEY: Thirty hotels out of how many and the lost of rooms overall? The Minister of Finance rolled out for us in this Budget a serious of hotels to be done, that will start and the only one that we know of that has started is the Sandy Beach and I believe ground has now broken as Beachlands and Settlers' Beach has not started. Keep going because it is not me alone hearing these projects, it is the Barbadians public. Just like how the Minister told us in 2013 that he would give US\$50 million to the Barbados Tourism Marketing Inc. (BTMI) from an IDB policy loan, the Minister of Tourism never saw that because it never came but the BTMI still owes too many people across the globe. That is the reality of our tourism project and in these Estimates, still not giving BTMI what it needs, voting \$85 million but ask the Minister of Tourism how much BTMI got? They did not get \$85 million. This is a farce, we thought we were giving them that and the bottom line is, Madam Deputy Speaker, it is not just about numbers of tourists it is about earning and it is about jobs. The bottom line also is that there are some serious issues still attending to our tourism sector in terms of profitability and until we address it, the level and quality of investment is simply not going to be there, that is why this Government is having to vote \$80 million for Sam Lord's Castle in here. If it was so grand an opportunity, the private sector would be doing it, but there are serious issues attending to the profitability of our tourism sector. That also requires a mature discussion because there may be decisions that we have to make as a people and as a country that hitherto we did not think of or did not want to go there but the nation that anything that is said that is at variants with this Government must now become the subject of a cussing, must now become the subject of allegations and scare mongering, must now become the subject of charges being proffered or people having to go to the police station to give statements as we had to do, the Honourable Member for St. James Central, the Honourable Member for St. Joseph and myself. These things are wrong and when I talk about tone that is what I am refer to. What is the reality in terms of the international business sector? The revenue of the international business sector is down by almost \$2 million.

Mr. Speaker resumed the Chair.

Mr. SPEAKER: Honourable Member sorry for breaking your stride. Please continue Honourable Member.

Hon. Miss M. A. MOTTLEY: Thank you, Mr. Speaker. As I was saying, international business revenue from licenses from international business companies is down \$2 million whether it is the reality in relation to manufacturing in this country. These are not my figures, Sir, these are figures from the Barbados Economic and Social Report for 2014 because we do not yet have the 2015 one in our possession and this is one of the things that I have come to really regret but when we have this debate in Estimates, this data ought to be in our possession. You are asking us to make and to debate on aged data and that is why I said that tone and what this democracy now stands for bothers me. What is the reality on the 2014 data, that manufacturing in Barbados is down 18 per cent in the last seven years, exports are down by \$50 million from \$595 million to \$548 million and sugar production is now down, we are being told this year, to 7 000 tonnes down from 35 000 tonnes in 2007. Almost every sector that we have traditionally relied upon to be able to bring us out is tottering now only because of sectorial reasons in my view it is tottering of a stubbornness on the part of the Government to recognise that it may not be able to do better until it fixes itself and restructures itself first as a Government and second in relation to its fiscal stability.

When you have all of this happening at the same time, Mr. Speaker, and there is an article that I will make a document of the House on the Canadian banking system in the region that all Honourable Members would do well to read, published on 28th February 2016 in the global mail, reflected a fact that we have talking about informally for a year, that it is clear that there is a contraction of the presence of the three major Canadian banks in the region and that contraction has lead to the difficulty that the one thing that you need to trigger growth is access to capital, it is like oxygen.

I heard the Honourable Member for Christ Church West Central in a debate in this House last week speak at length about the need for development financing for small and medium sized businesses in this country. Yes, he did because I found it curious that this Government continues to talk about ideas while forgetting that they are the executive. If you have a problem and you recognise that Barbadian businesses cannot access funding easily, what are you doing about it because the bottom line is, Mr. Speaker, that the clear contraction of the Canadian banks is not a problem peculiar to Barbados, it is across the region but because of our circumstances the implications would be far worst for us than they would be for anybody else who is not in this position. And what are the facts? The facts, Mr. Speaker, are that FirstCaribbean, Scotia Bank and the

Royal Bank of Canada have been experiencing and increased in gross unpaid loans across the region that is way beyond that which the region is responsible for revenue to them as a global entity in each respective case, and therefore you begin to understand why there is a reluctance and why they feel reluctant to be able to lend money in key areas that are necessary for us for our growth

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While we accept that as their position and while we see the evidence because FirstCaribbean, for example, has 69 branches across the region in 17 Caribbean countries, the revenue that they get from the entire Caribbean is about \$593 million of their overall \$13.4 billion, so the Caribbean is responsible for only about 4.4 per cent of FirstCaribbean's revenue as an entity, but of the gross impaired loans 58.4 per cent of FirstCaribbean's impaired loans comes from the Caribbean. It is responsible for 4 per cent of revenue but responsible for 58 per cent of the impaired loans; untenable.

With ScotiaBank, it is the same thing. The region is responsible for 5 per cent of its revenue, mainly \$1.2 billion out of \$23.6 billion but the impaired loans coming from the Caribbean are 35.2 per cent of ScotiaBank's impaired loans.

Royal Bank of Canada: The revenue coming from Royal Bank from the region, \$861 million, responsible for only 2.5 per cent of the total \$34 billion of Royal Bank's revenue but the region is responsible for 40 per cent of Royal Bank's impaired loans.

Now, if I were a Minister of Finance, I would have to take a serious look at these figures and would have to work out in my head how can I ensure that enterprises and households in my country can have access to capital clearly seeing what signs are on the horizon. We have no national commercial bank anymore, we have Enterprise Growth Fund and FundAccess for micro loans and we have to begin to ask ourselves how are we going to ensure that our people who need access to capital to help us grow out this economy get it. It is that kind of mature debate that I would have expected that these Estimates would have contemplated rather than the 'Cussfest', the bombast and the bluster that we were entertained with in here today.

What is the other reality confronting the banking sector? Indigenous banks in the Caribbean have been the reason correspondent banking relationship with banks on the outside world, thereby threatening their ability to provide services to their clients once those services are dependant on trade finance or remittance or anything to do with the outside world. The World Bank Report published in November of last year showed that the Caribbean is the

region most affected by the withdrawal of correspondence banking relationships.

Now, what is the reality of the problem? It is that while there may legitimate cause in some instances in many instances our small size has caused major banks internationally to say that we are not prepared to incur the cost to be able to do the risk assessment to maintain relationships with Caribbean banks, and in those circumstances it is better to shut it down than to undergo that risk assessment on an annual basis to maintain these correspondence banking relationships, but this is going to require advocacy. I see that the CARICOM Heads of Government has set up a subcommittee of heads to deal with it led by the Prime Minister of Antigua but the truth is that this issue is so so so important for the Caribbean region because it would impact on what access to banking services our clients or constituents can have in relation to banks operating that are indigenous within our region but depending on international banking relationships because of trade of services, trade in goods or remittances.

These are the things that I expected this Parliament to discuss because they would come to impact on the quality of our growth and the rate of our growth. The rate and quality of our growth is absolutely critical if Barbadians are to stop suffering. I do not know how we can believe that it is therefore okay to come in here...

The Honourable Member is so consumed about the welfare of the Opposition, and I can assure him that we can take care of ourselves. We do not need anything from you. What we understand is that our duty once we come in here is to defend the people and not to be consumed with party politics or politics or electoral politics or elections. The \$5 million for Independence... If the Government was genuinely serious about a national celebration for Independence, the Barbados Labour Party has been the Government for 24 of the 50 years. I went in good faith to the ceremony on January 6th in town in spite of the fact that the Barbados Labour Party was not invited to serve on... I heard the Right Honourable Prime Minister in November in this Chamber get up and say we are consulting with the Barbados Chambers of Commerce, we are consulting with the churches, and we are consulting with every conceivable group and the one group he did not mention and the one group they have not consulted with is the Barbados Labour Party that constituted a Government for 24 of the 50 years in this country, and then you want us to believe that it is a genuine national celebrations. Madam Deputy Speaker, \$7 million. Now, we all want to celebrate 50 years of nationhood but when you are suffering and people cannot find housing or people cannot pay their rent or mortgages or cannot buy food, can we not find a more appropriate way to engage in celebrations that are sympathetic to the conditions of our people. I walked through town the night when the fireworks were going off

and from group to group to group people were saying: "Looka we taxpayers' money going up in the air, look at it going up in smoke."

Now, I accept that there are times when a State would have to do things. I am not going to complain about certain expenditures at the Central Bank because the Central Bank has a role to play, but I do believe that if you are asking Barbadians to share a burden as we go through these difficult times, then it must appear as though everybody is sharing that burden.

When stories therefore emerged that the National Insurance Board led by the Ministry of Labour, Social Security and Human Resource Development could want the Cabinet to agree to increase the fees of the Directors of the National Insurance Board from \$300 to \$900 a month, a 200 per cent increase in Board fees, in circumstances where other Barbadians are having to literally scotch to be able to eat food, then I say this is the wrong message that we are sending our population. This is the same Minister who last week told the National Union of Public Workers: "Oh, I adjudge you have no case for back pay but then at the same time she and her ministry..."

Mr. SPEAKER: Yes, Honourable Member.

Hon. C. P. SINCKLER: On a point of order. The Honourable Member is, I believe, misleading the House. I am a member of the Cabinet of Barbados as Minister of Finance and I do not know of or can I recall any Paper that has come to Cabinet, Cabinet Paper or otherwise, asking the Cabinet to agree to increase the fees of the Directors of the National Insurance Board from \$300 to \$900, and I therefore think that if the Honourable Member has evidence to that effect she should make the said paper a document of the House or have that matter withdrawn because it clearly is not true. I am saying it is not true.

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Hon. Miss M. A. MOTTLEY: Mr. Speaker, I did not say that it has reached the Cabinet of Barbados yet, I said it is intending to come to Cabinet. I said that the Minister of Labour is intending to bring to the Cabinet of Barbados. Mr. Speaker, let the Minister of Finance and Economic Affairs deny that the National Insurance Board and the Minister have been dealing with this matter. Let him deny it, because it is a fact. Mr. Speaker, the bottom line is that we will bring the evidence in here on that too.

Hon. C. P. SINKLER: On a point of order. The Honourable Member is misleading this House. Mr. Speaker, I can categorically deny that I have any knowledge of or information pertaining to any such matter between the Honourable Minister of Labour and the National Insurance, whether the Board or directorate.

Mr. SPEAKER: Honourable Members, in the absence of any information or documentary evidence I am unable to uphold the point of order but in fairness to the Honourable House then it is expected that the evidence would be produced in the fullness of time.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I am saying that the Minister of Finance and Economic Affairs has denied, in the same way that the Honourable Member has denied with the evidence on the deficit. I never asked whether the Honourable Member had knowledge, I said let the Honourable Member deny that the National Insurance Board and the Minister of Labour are working on this. Mr. Speaker, that is the point, so that all the spirited denial relates to an allegation that was not made on him, but Mr. Speaker, that is the manner in which this Government conducts its affairs.

Mr. Speaker, since the Honourable Member wants me to deal with the National Insurance Scheme, let me deal with it now. Sir, a legitimate issue was placed, the Honourable Member could find every aspect to refer to it this morning in his speech, but still did not speak to the circumstances which are of legitimate concern to every Barbadian who is expected to get a pension from the National Insurance Scheme and who is interested in what and how the National Insurance Scheme is being treated to by this Government.

I maintain that the National Insurance Scheme is owed \$240 million or thereabout by this Government and to the last extent we made this allegation two years ago, instead of the Government of Barbados, the Ministry of Finance and Economic Affairs paying it cash for the debt which relates to contributions to reimbursement for non-contributory pensions and for the rental of the various Government buildings: Baobab and other Government buildings which the Government of Barbados rents from the National Insurance Scheme. Instead of the Government paying it cash when it owed it the money two years ago, it made the National Insurance Scheme take Government Paper, ignoring the fact that the National Insurance Scheme needs liquidity in many instances and cannot only be holding Paper and debt instruments. Instead the Government has allowed the debt to the National Insurance Scheme, separate from the Government Paper, to go back up to \$240 million, no rental being paid on a regular basis for the buildings that it occupies; not paying for the statutory corporations or itself in many instances, the National Insurance Scheme and not paying the reimbursement for the non-contributory pensions which is really a debt of the Ministry of Finance and Economic Affairs but the sums are paid by the National Insurance Scheme because of the ease with which the National Insurance Scheme could pay it.

Mr. Speaker, we accept that things are rough but what this Government ought not to have done was to continue to treat to governance as if it is something that a Government of Barbados could ignore with wild and reckless abandonment. Sir, what do I mean by this? Mr. Speaker, in January 2014, the National Insurance Scheme was directed by the Minister of Finance and Economic Affairs who can direct it under the powers of section 30(5) of the Act which he possesses to direct the National Insurance Scheme on investments, the Minister of Finance and Economic Affairs directed it to lend the Barbados Tourism Investment Inc., \$55 million towards the purchase Almond Beach Village, Speightstown, from Massy, Neil and Massy as it used to be.

Mr. Speaker, that loan was to have been for two years. That loan agreement has in it a clause that the Barbados Tourism Investment Inc., should not seek to sell the property without the consent of the National Insurance Board. The mistake the National Insurance Board made was not to put a mortgage in place and to have that mortgage registered, as they would have done with any other third party borrower who was borrowing its funds.

Mr. Speaker, if you go to the bank, it lends you money, the bank asks you for security, they not only rely on the loan agreement they put a mortgage in place if it is real property and that mortgage is registered at the Land Registry. In the two years the loan was to have been repaid on January 31, 2016. On 27th January, 2016, a letter came from Barbados Tourism Investment Inc., to the National Insurance Scheme saying that that loan which we are to repay you in four days' time, on January 31st, be advised that as directed by the Minister of Finance and Economic Affairs we are now requesting, but we do not have to repay that money now, but we would repay that money in 18 months' time.

Mr. Speaker, they went further to say that it was not just the Minister of Finance and Economic Affairs directing but that it was a Cabinet decision made on 28th May, 2015, that asks the Cabinet of Barbados, to rescind the decision of July 21, 2014, that the proceeds from the sale of Almonds Beach Village at Heywoods would go to repay the National Insurance Board for the \$55 million that was borrowed.

Mr. Speaker, so that the Cabinet in July 21... and I do not know what they were doing in it in July in the first place, because the Cabinet of Barbados is not the National Insurance Board, the National Insurance Board is a separate statutory entity, with clear objectives to protect the workers' money, the Cabinet of Barbados has not locus standi, no lawful authority to direct the National Insurance Board on anything, so that the decision in July 2014 was wrong, as the decision in May 2015. The Minister of

Finance and Economic Affairs in pursuant to Section 30(5) of that Act is who can give the instructions.

Mr. Speaker, so that when in four days before the loan is due, you go to the National Insurance Board and say the money you may have been relying upon to do A, B, C, D, E, but worse than that the property was sold, and the property was sold since months ago. Sir, when the property was sold the money that we were to repay you, or step back, the fact that we were to ask you for permission to sell the property we did not do that, and the money that we were to repay you from the proceeds of the sale, we are not doing that either and we are telling you that we are not doing it because the Cabinet of Barbados told us that we could break the loan agreement and not do it. Mr. Speaker, the Cabinet of Barbados is clearly inciting the Barbados Tourism Investment Inc., to break a loan agreement, to which the Cabinet of Barbados is not a party.

Mr. Speaker, this is what gets this country in trouble and this Government's failure to obey the law, selling diesel at the Transport Board when it had no authority to do so, taking \$30 million from a Housing Credit Fund to pay contractor and a bank for the Grotto, when the Solicitor-General has told them that they have no lawful authority to extract that \$30 million for a housing development which by the way of only occupied by bush and not people since it finished 20 months ago.

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Then you come again and break the law? I talked about Cahill before. I am saying to you that it is this breach of governance that continues to reel us from confusion to confusion, but yet you want to get the police to go into Swan Street and you take a vendor up and put them before the law courts for selling without a licence? The people from CLICO; this Government can break law after law after law, and not feel that they must be accountable for it. I say it is wrong.

The Minister of Finance hurriedly put a Letter of Comfort in place after there was clear evidence that the National Insurance Board wanted their money. The Barbados Tourism Investment Incorporated (BTII) is saying, "We want it rolled over for 18 months". The National Insurance Scheme (NIS) is saying "No, we need our money". What comes from the Minister of Finance in February, dated February 1 after the date of the loan, is a Letter of Comfort that expires on March 31, for two months. In the meantime, BTII and Cabinet are saying, "Hold onto the Sam Lord's Castle property". Who told you the NIS wants to hold onto a mortgage for Sam Lord's? Furthermore, have Sam Lord's property issues been resolved? Have you cleared the first mortgage on Sam Lord's, owned by another hotelier that came out of the law courts? Have you cleared the second mortgage at Sam

Lord's, owned by Republic Bank? You now want to put the National Insurance in that "Pele case", in that confusion, when all the National Insurance Board wants is its \$55 million. You also know that the BTII has sold the property to Sandals or a related entity of the Sandals group. Where has the \$55 million been diverted to? What has it been diverted to be used for? Why could it not go back to the NIS and allow BTII to float another bond for the purposes for which it really wants it, rather than diverting the money under the loan agreement that would immediately become due upon the sale of the property?

I can only say that the Minister of Labour ought to be standing up for the NIS because she is duty-bound to protect the Social Security of this country as the Minister for it. If she is a pawn, then she must go, and if she is not a pawn, then she must speak out to the country about what action she took to preclude this directive from Cabinet, superseding a loan agreement to which Cabinet was not a party. It is wrong. It is wrong. It is wrong. It is this callous and reckless approach to governance that causes Barbadians to feel that this Government needs to go, and we need to see the back of it because we cannot carry the weight of the suffering that it is imposing on the people of this country much longer. We cannot carry the incompetence. We cannot carry the uncaring attitude. We cannot carry the breaches of the law, and we cannot carry the elements of corruption within it. I say to you, Mr. Speaker, that it is unethical. It is unethical and it is poor governance. Sir, the Minister of Finance could just as easily have written and negotiated with one of the commercial banks for a Letter of Comfort, such that the NIS would have been repaid its money. I am not the one who says we do not default, and I want to believe him when he says it but I just see that they just do not pay. The loan agreement is very clear.

Mr. Speaker, I am saying to you that this is not how we do business in this country, and the Government cannot believe that it can sit in Bay Street and put itself in the place of separate legal entities. This is why the 1994 Democratic Labour Party administration imploded. It was because of the belief that you could supplant one legal entity for another, as if they were one and the same person, one and the same entity. It is as if they have not learnt anything from their earlier experiences. It was why the Public Accounts Committee had cause to comment negatively on the St. Joseph Hospital; that you removed from a Board the powers to hire, and a Minister assumed them. Have we not learnt in this country? Have we not learnt? What is worse still, Sir, is that all of this happens against the background of these other operations in relation to the National Insurance Board. There are people who are deeply concerned, Sir, and this Government must remember that it is only responsible for the executive for a limited period of time and it is holding it in trust. It is a fiduciary duty, and they have a responsibility that goes

beyond their term in office to treat to an institution that tens of thousands of Barbadians will depend on.

I well recall - because unlike all people, I do accept that there are times when the Minister of Finance will have to direct the National Insurance Board - that it happened in Four Seasons. Yes, they had to be satisfied. The issue came up as to whether they had to be directed or not, and they had to be satisfied that there was a commercial rate of return from the project. What happened then - and the full details will come out when he is ready for it, too - was that there were issues and concerns about whether the investment was one that they should invest in or not. I have as many files as him. The bottomline is that they have a duty to be told why it is that after two years, neither they nor the public of Barbados can be brought up to date as to what is happening. This is not an issue that I will run from because I was a lawyer. Believe you me, and I had thousands and thousands of documents on this matter, but my point, Mr. Speaker, is that there is a genuine concern about how this Government has treated to the NIS.

Mr. Speaker, do you know that the NIS has been prevented from investing overseas under this Government since 2008? Do you know that? The Minister of Education is looking with a blank look on his face. His colleague should tell him, and as they tell him that, advise us because I genuinely do not know whether the Central Bank Pension Fund is allowed to invest overseas. I do not know. I do not know how you can refuse to allow the NIS from making any investments outside of Barbados at a time when we know that over-concentration in one market may lead to significant risks to the Fund that are not wise. God forbid something happen like a hurricane and a lot of Barbados is affected. It means that a lot of the NIS' investment portfolio stands to be affected too.

4.15 p.m.

I am asking this Government in all conscience to please review the very unwise decision that the Central Bank of Barbados and the Minister of Finance have presided over preventing the National Insurance Scheme from investing outside of Barbados for the last years. I am not one of those who believe that the level of investment has to be astronomical because I do accept that people's pension funds and working money must also be used to help built out this country but there must be a balance because too far east is always west, and when you have it overly exposed to the domestic market with no ability to be able to participate in the foreign market, then we are playing with danger. Madam, there are other concerns. We need a sensible discussion in this country and in these Estimates. The Minister of Finance could have said to us this morning instead of the bluster and the bombass that he has a problem that has been triggered as a result of our anemic economic performance and because of the level of

layoffs and the reduction in the volume of contributions to National Insurance Scheme, a situation that we did not contemplate to reach until 2018, has been thrust upon us as only as April 2013. There are Honourable Members on the other side who are hearing these things for the first time, so that for the first time, you are hearing them. We were not to reach a situation where contribution income was dwarfed and exceeded by benefit expenditure until 2018 but in April 2013, we were spending more money on benefits than we were getting from contributions of people to the National Insurance Scheme, a good full five years before it was contemplated. This is what this Parliament must be speaking about in the 50th anniversary of Independence not the nonsense that we are talking about in here with the bombass that we hear and then the Leader of Government Business not knowing how to behave on the adjournment. Madam, Barbadians see it for themselves and the bottom line is, what is the acid test of these Estimates.

Madam, not me, the Minister of Health and the Minister of Finance two years in this Honourable Chamber said the hospital needed \$185 million to function every year and this is exclusive of the capital. It needed \$185 million. It was not us but the junior doctors, the senior doctors, the nurses, the patients complaining about lack of supplies. The Minister of Health has a duty to tell us how much is still owing after the meeting of November 2014 at Ilaro Court when the Minister of Finance, the Prime Minister and the Minister of Health promised to clear \$25 million in debt to the pharmaceuticals companies. Madam, that is what we need to be hearing in here. Do not just tell us about the \$9 million system as if all the hospital needs is \$146 million. The Minister of Finance and the Minister of Health are both privy to briefs that have said that the need \$185 million and this is a matter of deep concern.

Madam Deputy Speaker, I saw the Minister of Finance. I was coming out of the hospital and he was going in and it is not something that gives me pleasure, in fact, I had not been in for a few months and I feel that something even as basic as the ceiling tiles.... I am going to speak to my colleagues and I hope that the Minister of Health will accept a donation from the Barbados Labour Party to put the ceiling tiles in at the hospital.

Asides.

Miss M.A. MOTTLEY: Mr. Speaker, this Government can continue to play with politics but let me tell you what the absence of ceiling tiles do. Look up there and see how much dust there is. They think it is joke until one of their families ends up in the hospital but then again, they might send them overseas. If you go this evening and walk through the hospital, you will see the dust, you will see the rust. I am going to ask the Shadow Minister of Health to take the picture since you do not believe.

Asides.

Miss M.A. MOTTLEY: The Minister of Health says that he does not believe it. I would be interested to hear the perspective of a doctor but commonsense would tell me that anywhere that stores, dust, rust and those kinds of things in an environment that should be sterile, cannot be good for you. Madam, the Minister of Finance, if he was being sincere with this country would tell us where the absence of the \$40 million that is needed because what he has not told you is that wages alone at the hospital is \$100 million. What he has not told you that they have refusing to fill vacancies which has put inordinate stress on doctors, nurse, orderlies, and everybody. What he has not told you is what is the statement of arrears. These arrears are not the Honourable Member Christ Church South own. They do not belong to the Honourable Member for St. Michael North West. These people are here only because the public says they can be here for five year. We are not dealing with matters home at them and no Opposition Party, no country nor no population should have to be begging for information as to what a Government need.

Madam Deputy Speaker, we accept that things are difficult but let us share in the decision-making as to where resources are to go in this country. Therefore, when I ask for this information, I am not asking because I feel like wasting breath. I have other things I could go and do too.

Madam Deputy Speaker, let us look at the National Housing Corporation. This is not my information, it is their information. They need \$44.9 million to run when the year comes and, Mr. Speaker, this National Housing Corporation is receiving not even \$10 million now from renters. It may get commercial sales, if they are lucky, because it depends on whether people have money to buy. They want to hope to get about \$20 million but guess what, in these Estimates, a subvention of only \$5 million and they are spending \$45 million a year. Sir, we already know that the Minister of Finance has had to commit to pay the two loans for the National Housing Corporation and we know that the bill of \$1.1 million which we have learnt about in the Other Place is now \$1.1 million down from what it was before the layoffs but without the Minister of Finance paying that, the staff at the National Housing Corporation cannot get paid and that is why had the embarrassing situation before Christmas with the National Housing Corporation's staff not being able to be paid and again in January but a Government is going to come in here and play politics like if it is a board game, and all the talk, the Minister of Finance did not mention the NHC this morning about the top ups, he said the University of the West Indies, the Barbados Transport Board and Queen Elizabeth Hospital. Well, I assume that he would have to do for the National Housing Corporation too.

All I saying is that these are not matters in which we take delight but if you are projecting a deficit of 7.8 per cent, if you are projecting a deficit of \$723 million net of amortisation, by the time you add \$20 million or \$25 million more for the National Housing Corporation (NHC) and \$40 million for the Queen Elizabeth Hospital (QEH)... The University is short somewhere between \$40 and \$50 million depending on what the economic cost is now that they have imposed these fees. The Transport Board, according to their supplementaries, seems to be short an average of \$20 million at least because you voted \$20 million supplementaries last year and you voted \$21 million again. When I add those figures up you are talking close to \$150 million more in expenditure, which is another 2 per cent of GDP.

It is easy not to vert it and it is easy not bring the supplementaries but it does not change the liability of the statutory board or to the client class and it does not change the provision of goods and services that it is duty-bound to provide, Mr. Speaker, the most telling point came from the Governor of the Central Bank last week in Brooklyn while dismissing the issue of debt restructuring. He did not dismiss it totally out of order, and the Minister of Agriculture should read the article. He said it makes no sense to do debt restructuring if you do not fundamentally restructure the things leading to the deficit. I know why he gets upset every time he hears the Governor's name and I can appreciate that. The Governor said it makes no sense to do debt restructuring if the underlying restructuring is not being done such that you still end up with a chronic deficit problem and that the Government - not my words, I do not know if it was because he was in Brooklyn - has not made sufficient progress on the restructuring of the Government to bring down the fiscal deficit. That is what the Governor said in Brooklyn. Read Barbados Today of last week. Here is the Governor now for the first time contemplating that it is possible but it needs the precondition of the Government delivering on the restructuring to bring down the deficit in a fulsome way.

Mr. Speaker, when I say to you that this deficit going back up next year is of concern, it is not because I am concerned about numbers - I just spoke about the hospital - it is about the terms and conditions. In the case of the Transport Board, the Honourable Member for St. George South spoke of the unfortunate incident of a constituent of his with no bus route to her, who had to pay taxi money to go to the polyclinic - this is a pensioner you know get - and got to the polyclinic only to be told we cannot deal with you today and she then had to take a taxi back home. That was \$80 out of pensions cheque and still had not achieved what she went to achieve and that is because the Transport Board is not in a position to adequately service the routes across the country. There are people who are getting to work a hour and a half and two hours late. Most employers who are sympathetic understand but there are some

employers who tell them do not come in, you get here late you lose the day's pay. These are real issues.

I have said over and over in here that this is not a Democratic Labour Party problem now, they may have caused it but it is a Barbados problem, and therefore we all have a duty as a country to step up to the plate to resolve it. When you see what is beginning to happen, and I would not go into the crime issues in this debate because I am told they are doing the Attorney-General and Home Affairs in the Estimates so I would not touch on it long, and Ministry of Agriculture and the Ministry of Transport and Works.

Mr. Speaker, when we see last year as was happening across St. Michael and in St. Lucy and other areas too the wanton crime that was taking place and pictures of youngsters on facebook with all kinds of weaponry in their hand, I asked myself does this Government see the reality of what is going on in Barbados? Does it make sense to build out four police stations at \$76 million now that cannot be ready for two years or should we satisfy ourselves with two police stations and give the police the vehicles that they need to police Barbados within the next month and buy at least four to five mobile police units that can be placed in hot spots across Barbados, as was done with Chapman Lane? It worked. The Honourable Member for the City of Bridgetown would speak to you about it. It is positive work because once you have that presence it makes a difference. Mr. Speaker, that is not the only thing that is needed. We need to deal with the reasons why we have a situation with the guns and these youngsters. Twenty or 30 years ago when a fellow doing nonsense hit you with a 2 X 3 you could have survived, but when he shoots now the chances of surviving are much less.

Why I am speaking in this way, Sir, is that I approved the regional Cabinet Paper of the police stations in February 2006. That is how long this Government and the previous Government has been trying to do police stations. Those four police stations were supposed to be ready. I approved them. Go and get the file. I know that the Honourable Member for St. Joseph dealt with it too. The Honourable Member for St. Joseph only had 18 months then because I approved it three weeks before I was moved as Attorney-General. This Government took eight years and I am saying fine if we could do without the four stations in eight years to put two on hold for another year and buy the mobile units and buy the additional vehicles because I know the Government does not have any money and treat to our crime problem.

When we do that, take the almost \$3 million, \$2.something million, in here for bio-metrics for the Immigration Department... The public service that you are going to start to break new ground in the world and be the first country to fingerprint its own citizens leaving and

entering a country, is absolute nonsense and madness. In these Estimates I asked the Minister of Finance to move the money for the fingerprinting in here and give it to the Environmental Protection Department to knock down some derelict houses, please, because when you go to start the fingerprinting in the derelict houses... Do not play that you do not know that they got derelict houses causing public health nuisances to people in this country. I am saying to you, Mr. Speaker, that money for the fingerprinting of Barbadians at the airport and the seaport will not see the light of day because it is wrong, not to mention that the regulations were made in the wrong way, but I will leave that to the law courts to do. I thank the Honourable Member for St. James North and the Senator for the Other Place in joining with other public interested lawyers namely, Mr. Commissong, to test it because the regulations were made wrong. You do not gazette regulations before laying them in Parliament. In order for the regulations to be effected the regulations have to be subject to negative resolution for 40 days. It is too basic a point... The Honourable Member for St. James Central is trying his best to talk across to them but they are not going to understand it star, do not bother your head.

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The Minister of Finance said that he is not cast in concrete this morning, that where it is clear that money cannot be spent, do the decent thing and tell you that the money cannot be spent and let you reallocate it, well I am helping you. Reallocate that money for the biometrics because you cannot spend it because the regulations not only are made wrong, this is the best part, the regulations are made under a section of the Immigration Act that is designed to allow the Minister to make regulations for people who are on suspicion of entering. How could a Bajan be on suspicion on entering inappropriately to their own country? However which way you look at it, the regulations are made wrong.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this has nothing to do with the fundamental reasoning behind it, and let us get real. Even if the Government wanted to do something you cannot take fingerprints from April 1 ...Against which database would you be assessing these fingerprints? There is no database to assess these fingerprints again? This is in the Estimates, over \$2 million to spend. Secondly, what are you going to do when a Barbadian citizen says I am not giving you my fingerprint, where are you going to deport them to? You cannot deport your own citizens, so if you cannot deport them you then criminalise your citizens, so let us start making criminals of all good people who are frightened about the breach of privacy of their fingerprints, and then the police cannot take it up and use it because the police and the immigration

are as separate as the National Insurance Board and the Cabinet. Please, please. You notice that I have only spoken on this once because a folly is a folly and the law courts are going to have to deal with this if good sense does not prevail, and pray that the law courts would not have to deal with it because then you are going to pay legal cost. There is no sense in having to pay legal cost on this issue. Let the Minister of Finance be given this money.

The Minister of Health is in charge of environmental protection health. If he is in charge let him get the money, the \$2 million, to remove some of these derelict houses about here, we would support the change in the Estimates because too many of our people are falling ill from vector related diseases. I am not asking you to reduce the deficit or take it away, shift it to the Ministry of Health Environmental Protection Department. The Minister of Finance knows because he has nuff derelict houses down by him too. I got in mine constituency. The Honourable Member for St. Michael North, and the Honourable Member for St. Michael South Central, all across Barbados. The problem with derelict houses in urban areas is that it is too easy to constitute a threat to public health and crime because the rats and the mosquitoes do not have far to move. It is the Ministry of Health's information that taught me that if you have a mosquito it means there is a breeding place within 100 metres, so that the problem is more acute in urban Barbados than it is in rural Barbados. Rural Barbados has issues too but it is more acute in urban Barbados where you have derelict houses and cups and all kinds of thrown away instruments collecting water, stagnant water and breaking into mosquitoes. You must forgive me for my passion because I know what the pain is of Chikungunya, I still suffer from it. Any time I am tired, my shoulder, my knees and my feet still suffer from it because it lives with you for a while. There are others in here who have had it too.

That is the National Housing Corporation, that is the hospital. The Transport Board is the same thing. I have spoken to that. Look for heaven sake I have no... The one thing I am glad for is that I really am not an insecure person because if I was I would not be standing here or in politics. I say to this Government yet again with all of the sincerity I can muster, we have a fight electorally whenever an election comes, that is true and I have every confidence that I have the better team with the better policies and that the country would go with it, I really do, but in the meantime Barbados is descending at too rapid a rate.

I understand why the Ministry of Finance has had to come in here and make it look rosy, but let us get real. You cannot tell me that things are rosy and Barbadians cannot get access to the services to which I just referred. You cannot tell me that things are rosy and you cut \$1 in his year that is closing out off of the welfare budget, look at it. The welfare budget was \$15.5 million which we voted last

year and we come back to the end of the year and see a budget revised downwards to \$14 million. I saw a gentleman on... Thursday night, foot run over by a PSV, gone to welfare for assistance cannot get it. The situation with the young lady who approached myself and the Prime Minister. The Honourable Member for St. Thomas and I even spoke to the Minister of Social Care, Constituency Empowerment, and Community Development. There are just too many deserving cases and week by week by week we are seeing them, and I am saying to you if things are so rosy, why are the people of Barbados not feeling some of the warmth or is it being diverted in a way that nobody wants to talk about? It cannot be both.

I therefore say to you that we want to play our part in part of a national discussion. That is what the 50th Anniversary Celebrations should be about, not the expenditure of \$7 million in frivolous things like a calendar from the Democratic Labour Party. That is how I know what the celebrations are for the year. It has not come from the Government Information Services Printery.

Asides.

Hon. Miss M. A. MOTTLEY: If it has nothing to do with it, can I be put in a position to advise the Members on my side what is involved in the 50th Anniversary Celebrations? There is no Member on this side who knows what is involved or how this \$7 million would be spent between last November and this November. I am saying to you that if you ask me to participate, let us participate in getting a few things right: (1) Let us have a mature discussion on what are our options given the fact that our interest in debt service alone is almost at the level of all statutory and other personal emoluments and wages in the entire public service. We should not go into the next year without knowing how Barbados as a country and as a people will deal with this issue of debt that is now sucking the air out of everything in this country and causing us to be distinguished not for the best cricketers in the world but for the highest debt in the Americas. You could imagine that Jamaica has a lower debt to Gross Domestic Product ratio than Barbados? You could imagine that Dominica, Jamaica, Belize, St. Kitts all of them, intervened...

Asides.

Hon. Miss M. A. MOTTLEY: Do not tell me come on. Turn to your right and tell the gentleman who is Minister of Agriculture who wrote and gave you the letters and shown it to the country showing what at what stage those countries intervened to deal with their debt problem long before it reached the stage where Barbados now is. In fairness to him that letter was written some 18 months to two years ago and the situation has gotten worse since then. Let us have a discussion about that in our 50th Anniversary.

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If we want to be serious let us have a discussion about the absence of banking and financial services to our people and to the fact that it is not a problem peculiar to Barbados but Barbados is more dependent, more in need of us resolving it, because Barbados is in greater need of triggering growth in this economy in order to help Government stabilise its revenue, because 65 per cent of our revenue comes from economic transactions, so you cannot tax people to get more money, you have to grow the economy, you have to give people some breathing space, you have to let them help grow the economy and let the revenue come from that. It is not rocket science but that is what we want to be discussing in the 50th year. We want to be discussing in the 50th year why are we not in a position to open the windows to the nation and air the nation? Why is it only a handful of people who continue to pay to benefit from the bounty of this Government and this Government's favour? These are the things, and forget this Government, let us say any Government in the future, because the discussion has to be Government and party neutral. What is the kind of Barbados we want?

Mr. Speaker, the Right Honourable Prime Minister said he wants this discussion, then let us have it. The Ministry of Finance and Economic Affairs started by quoting the late Right Excellency Errol Walton Barrow in his speech in these Estimates and I thought that it might have reached that level but...

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I have come accustomed to the fact that as a woman in politics that people like to make fun of you but that I have done that for 25 years. Mr. Speaker, as wrong as it is for Hilary Clinton, it is as wrong for any woman on this side, but we have learnt that to walk this road this is what to expect, regrettably. Sir, I hope and pray that those who have daughters and nieces will have them participate in public life in Barbados in a way that will be not in any way tarnished by that kind of behaviour and those kinds of comments.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I have said all of this and I have not even got to the issue at hand, I just dealt with the welfare cuts. I have not got to the issue of School Meals yet. I have not got to the issue about the complaints by the parents and children themselves, about the absence of proper meals in School Meals, and that it is bread and this and bread and that; that they are eating bread and flour the majority of the time.

Mr. Speaker, when you make these points the Government generally feels that you are just making these points for the sake of it. I want to point the Government to its own data and when I read it, it really shocked me. I read it because you cannot on the one hand be talking about the need for healthy lifestyles and in the need for us to avoid diabetes, heart problems and strokes and then when you check what people are able to buy and eat, they cannot support a diet to support those healthy lifestyles, and the evidence is here for the Government, Sir, at page 113 of the Social and Economic Report. Do you know that the number of people who are getting strokes or who are suffering from cardiovascular events in this country increased by almost 50 per cent between 2010 and 2012? Sir that is what this Honourable House needs to be talking about. Sir, it is not a glib thing, it is not that this Government has set out to say that it wants strokes to come but if you do not ensure that people have access to a basic living, if you do not ensure that that basic living can buy food for a basic health diet, and encourage people...

Mr. Speaker, I would agree that people have a duty also to plant more vegetables and that in the planting of more vegetables the people then can also ensure that they supplement their children's diet with those vegetables, but we have a problem.

Mr. Speaker, it is also curious that these dates also coincide with the changes to pharmaceuticals, to the Barbados Drug Service. Sir, we made the point that you are going to find that in some instances where people were being deprived of a single tablet that could treat more than one condition and therefore many of the elderly people were not in a position to remember all of the different tablets that they had to take, because somebody who suffers from diabetes invariably has hypertension and other problems.

Mr. Speaker, it is not a scare tactic, what is required is for the Minister of Health to update these figures down to 2015, because at 2014 report has no right stopping at 2012. I believe the Chief Executive Officer of the hospital may well have given us some statistics but it was not scare tactics when he talked about it, it was not scare tactics when the Minister told us how important chronic non-communicable diseases are. I am saying to you that we have a duty to treat to this because a 50 per cent increase in strokes in a two-year period in this country is out of the ordinary. I am also saying to you that an increase in diabetes of 2000 cases between 2010 and 2012, which is a 12 per cent increase is also of concern.

Mr. Speaker, I come back then to the School Meals issue, because if we do not treat or teach our children good nutritional habits from early and give them access that, we inculcate in them the wrong habits at primary school. Mr. Speaker, I feel that the Government could cut from other

areas and make sure that the children are properly fed. I feel that the prisoners could be put to farm and produce all of the vegetables needed for the School Meals Service so that our children could get access to vegetables, in circumstances where money is tight, continue to procure them on a regular basis.

Mr. Speaker, the Minister knows there are other things that I can talk about but that I am not going to, because I am not being irresponsible, but I want to say this point, that what stops the prisoners from producing livestock and vegetables that can service the School Meals Department and the Queen Elizabeth Hospital, including the Geriatric and Psychiatric Hospital? Mr. Speaker, at the Psychiatric Hospital I trust and pray that the money for this equipment would bring to an end the unacceptable situation of people having to wait two and three hours before they can get breakfast in the morning, they get breakfast at 10 or 11 in the morning, where they may diabetic and would therefore be affected, or people who are getting lunches at 3:00 or 4.00 p.m. because you have to bring the lunches from the Geriatric Hospital to the Psychiatric Hospital, because the kitchen has taken more than four years to do, because the Government has not prioritized it in terms of the provision of resources.

Mr. Speaker, the same swiftness with which money was taken from the Housing Credit Fund against the law should be the same approach for concluding the kitchen at the Psychiatric Hospital but maybe the Honourable Member for Christ Church South really does not have any pull in speaking about the wealth and health of this nation, the Honourable Member only has voice.

Mr. Speaker, I turned to these figures not glibly because as I said, these figures are produced by the Ministry of Finance and Economic Affairs. Sir, do you know what was the most amazing statistic in here? Mr. Speaker, the most amazing statistic in this book... Do you understand that children are not even coming, that between 2007 and 2014 almost 650 less children, babies were born in this country.

No.C27A (33)4.59 p.m.

Less than 3 000 - so that people are even making conscious decisions. This is a trend that varies significantly from the previous years. People are making conscious decisions that they cannot afford to bring babies in under this Government, because things are just too tough and too rough. Regrettably, Sir, at the same time that the birth rate is dropping and that the live number of births has dropped by 650, almost 20 per cent, would you believe that the number of deaths has regrettably increased, Sir? 370 more Barbadians had been dying per year by 2014 than were dying in 2007. Sir, this is the human cost and tragedy of this adjustment: Less births, more deaths, and more

sicknesses. When you ask me to assess these Estimates, I can assess the numbers, I can show you that the Minister of Finance changed metrics....

MR. SPEAKER ordered that certain remarks be struck from the record.

Hon. Miss M.A. MOTTLEY: I withdraw the remarks, Sir. The Minister of Finance reminded me of David Copperfield by using different metrics to be able to tell us that a deficit has gone down to 4.2 per cent when he knows otherwise. I want to tell everybody to do it for themselves, not me. If the deficit on Page 2, as he says, is \$1.57 billion, net out the amortisation from Page 8, \$1.6 billion, get the \$564 million and divide it by 8 921 and multiply it by 100 and see you get 6.3 per cent. That is what it has been reduced to.

I say to you, Mr. Speaker, that we have a problem in Barbados. I have not gone into the water issues today because I am told that we are doing the Ministry of Agriculture and Water Resource Management in the Heads, and the Leader of the House is nodding. At that point, I will speak to the need, not just to the long term measures which the Minister of Agriculture has referred to but also what we recognise as critical, which are the short term measures of meeting the needs of the people from St. Lucy to St. Peter to St. Joseph to St. Andrew to St. Thomas, parts of St. George, parts of St. Michael, parts of St. James, veritably the whole north of the island. Once again, if there is a drought, there is a drought, but what we are saying is that we may have to work together to make sure that we can meet people's short term needs in terms of access to water. I am told that one or two districts are better off but generally, the problem subsists still in other areas. Indeed, in yesterday's paper I saw the warning from the public health people that where people are storing water because they do not have access to running water, they need to make sure that they do not do it in a way that makes themselves vulnerable to Zika and the other mosquito-borne diseases. These are issues, and I trust that the Minister therefore will update us in relation to what measures are being put in place, not just for the medium to long term, but as he knows from my letter, my immediate concern was also short term. I do not believe that there is any politics in water management or water distribution, because without water all of us will suffer and be miserable. Okay? It is a public health issue.

I also look forward to the Minister, when he is talking on agriculture, giving us an update on the sugar factory because we have been told that this sugar factory was to be built now for the last year, year-and-a-half, two years, but the bottomline is that sugar production has dropped to as low as it has and we have heard and read in the paper that the people, I think, from the inter-sugar partnership, have been asking and querying about

Government's contributions and commitments in order to be able to facilitate the start of the factory. Barbadians need to know, and therefore I look forward to us being informed.

Mr. Speaker, let me also state for the record, and I am not going to be invidious because he is going to hear it anyhow: The Barbados Labour Party left a Cabinet decision for the construction of a sugar factory. We fundamentally disagree with the Minister on location because we still feel it should be Bulkeley and not Andrews. Our fundamental disagreement also is on the feedstock with River Tamarind, but I cannot tell you that we did not agree to build a sugar factory in this country. I therefore hope that the Minister can also advise us, because ours was promised on participation with Barbados Light & Power, and I would like to know whether Barbados Light & Power is still a critical partner because we only produce cane to be able to feed a factory for three to four months of the year and, hence the reason they are looking at the River Tamarind. The truth is we felt that there should be other feedstock and that Barbados Light & Power was critical in order to be able to procure the energy. Up comes Cahill, and then it decides that it is going to produce electricity at a price way beyond anything like our sugar factory. I do not know what the Minister's sugar factory is due to produce it at. It bears no relationship whatsoever to what people pay for electricity in this country.

Cahill is not an on-budget matter and therefore I will not treat to it in these Estimates, but suffice it to say that I remain deeply disappointed, Mr. Speaker, that having filed a Resolution in this Parliament calling on the Right Honourable Prime Minister and this Government to produce the three agreements that have been signed by Members of the Cabinet in the name of the people of Barbados, that since August last year, seven months later, we are to be treated with contempt in this country and in this Parliament by not being shown agreements that are floating around the Net with stamps and signatures on it. No Barbadian should have to go to any social site to see who signed agreements with Cahill. No Barbadian should have to ask what these agreements meant in relation to Cahill. I say to you that it is contemptuous to me for a Leader of the Opposition to legitimately ask and wait. It is now seven months, and those agreements have not been laid in this House, but yet they will lead to Barbadians having to incur, through fees for the taking of garbage and the purchase of electricity by Government from Cahill, a combined \$4.8 billion over 30 years. It is the largest such expenditure ever contemplated in this country, and the people of Barbados deserve to and must see the documents that have been signed in their name.

Sir, I also say to you that it is of concern to me that the financing of the deficit will remain an issue, and the Ministry of Finance needs to also talk to the country about it because the Central Bank of Barbados cannot continue to

print money to finance this ballooning deficit. It cannot. The Central Bank in this financial year reached in excess of \$1 billion in Government paper, and I say to you, Mr. Speaker, that it is playing fast and loose with this country's future for the Central Bank to be cavalierly printing money and doing it, Sir, in a way that puts this country's financial health at risk.

5.04 p.m.

Sir, what is even worse, is that the Central Bank of Barbados administrative budget of 2015 admits and makes it clear that they deliberately intervened in the market. Sir, all the talk that they do not support re-profiling of debt, the Central Bank of Barbados deliberately intervened in the market and undertook a policy of lowering the borrowing cost to Government through bidding for the Treasury Bill at one per cent rather than the 3 per cent and 3.5 per cent at which the Treasury Bills were selling. Now, that is a case of doing one thing and saying another thing because they did it as a deliberate policy decision to keep Government's interest rate down but then wants to accuse anybody who else who speaks about it as scaremongers and that is why I say I have a problem with the Government speaking in the way in which it is rather than having a matured discussion.

Mr. Speaker, I am also saying to you that where the Government contemplates that it will get the financing for the deficit, \$1.495 billion. The Central Bank of Barbados is already holding \$1 billion in Government paper, the National Insurance Scheme is already holding \$3.2 billion; commercial banks reaching their sovereign limits but we continue on this merry path.

Mr. Speaker, I believe that we have reached a stage in this country where Barbadians really have to call to account across every sector. The media has to ask some difficult questions that it has not been asking. The IMF report, the financing of the deficit, the debt problem, the water problem, the perennial problem at the hospital are all issues that ought to occupy our time.

Mr. Speaker, I believe that the labour movement and civil society equally along with the private sector. The private sector complained that the debt owed to them is three time what it was last time they spoke to the level of arrears owed by this Government. I already spoke to you about what the IMF conservatively estimated it at. The Minister of Finance glibly spoke about the refunds that were delivered so far for the year and last year but has not told you that there are significantly other refunds still owing to people and that there are major companies in Barbados and that one company is owed over \$6 million in VAT refunds and these things are causing companies and businesses to come to the brink of insolvency because they are not getting the cooperation from the banks in terms of the flexibility to be able to help receive the finance that

they need to run their enterprises. Sir, I say to you that these things are of deep concern to us. Sir, what do we get instead?

Mr. Speaker, the road programme I have not talked about yet because we are coming to public transport but when we come to that....

Asides.

Miss M.A. MOTTLEY: The Minister wants to know where is the politics and where is the electioneering. Let us look at the fact that the Scotland District and bridges continue to receive a paltry amount but all of a sudden a road programme is developed where senior Ministers in the Government are to receive the patronage from only certain communities appropriately chosen for these roads. We talk also about the one that has been chosen for me that I did not ask for that is only to be found on a road in which they are two major concrete and construction companies and no citizen in St. Michael North East lives, between Canewood by the trees and Lower Estate roundabout that is perhaps the heaviest used road for heavy equipment in the whole country because you both Redi Mix and Preconco using that road every day but the people of Canewood Hill whose road started since 2007, cannot get the road finish but this Government is choosing to do a road under the IDB to fund for two concrete construction companies that will 'mash up' the road just only because of the weight of the trucks that is using it. I am not going to speak about that today. I will wait for the Heads, believe you me.

Mr. Speaker, when this Government says that it is not electioneering, believe you me, the electioneering is found in the distribution of what is put here. The electioneering is found in the Independence vote budget.

Mr. Speaker, the sad part is that they can talk as much as they want. The average Bajan out there is already saying that this Government is using the Independence as a platform for elections. Whether it is true or not, that is what each Barbadian out there believe.

Asides.

Miss M.A. MOTTLEY: The Minister of Health says it is the first time he has ever heard it. Perhaps, he has to stop by the hospital to have your ears clean, so that he can hear it from people on his way home because it clearly is there. Mr. Speaker, I say to Barbadians as I close that we have seen it all before. We have heard it all before. In 2008, they said from the platform and they did posters. They said: "We will not lie. We will not cheat. We will not steal." Mr. Speaker, the less said about that the better.

Mr. Speaker, in 2013, in the run up they said they will not send home any public sector workers. We will not

charge fees at the University of the West Indies and we will not sell off State assets. Mr. Speaker, lo and behold, less than a year later, 3 000 public sector workers gone home and less than a year later, decision and determination to sell assets and in August 2013, the announcement that children going to the University of the West Indies would have to pay fees. Mr. Speaker, we know the script. It has come over and over.

Mr. Speaker, the Minister of Finance a couple of weeks ago said, "Wait for the tax reform, the tax benefits, the tax ease, that is coming later this year." Well, he can afford to say so after having bathe 62 000 workers with \$60 million in allowances being taken away from them. Sir, 62 000 taxpayers lose the benefit of \$60 million in allowances not to mention the Consolidation Tax that was to be temporary that is being proceeded on for another year and last year he said only one more year for that and the bank asset tax but not a word today about that.

Mr. Speaker, there were no wage increases since 2008, so when he tells us about tax ease, it is not something discretionary. It means he may well now be understanding that if you do not put money back in people's pocket that you cannot trigger growth as the Barbados Labour Party told him last elections. Then today he says, no fees at the Queen Elizabeth Hospital. Mr. Speaker, we have heard the protest, the bold statement from all members of this Government before. Sir, 2008 in Opposition and 2012 and 2013 for 2013 Elections and what we get today is just the modern day version of what went before.

Mr. Speaker, the beauty is that Barbadians have determined that if you trick me once, you cannot trick me twice. The bottom line is that Barbadians know how this Government pitches the ball. Barbadians know what this Government does on the eve of election and Barbadians are standing by in this year and next year for the use of the State resources and for the wild promises that would cause them to believe that all of a sudden manna will fall from heaven after four years of nothing but 'sufferation' for the majority of people in this country and, all of a sudden, that more than three or four people will benefit from the bounty of this country. Mr. Speaker, I say to you, we will continue to keep this Government accountable. These Estimates bear no relationship to the reality of Barbadians are confronting, they bear no relationship to our reality in terms of our performance as an economy and that they are serving the purpose of one thing, to be able to allow the Minister to paint a rosy picture.

Sequence 35

We are here by virtue of a constitutional necessity, but we are not here because the Minister has a creditable programme based on credible numbers that can deliver and

ease the pressure and burden off of the majority of Barbadians.

My only statement to Barbadians is that know always that the BLP stands for "A Better Life for our People" for a real reason, because we have shown through our policies that if you put the people of this country first, if you make sure that households and enterprises can, in fact, thrive that the rest of the equation would fall into place, but no, for this Government it has been a completely different experience matched with a set of rhetoric that is not reflected by their actions.

I am obliged to you, Mr. Speaker.

Monday, March 14, 2016

Mr. SPEAKER: Yes, the Honourable Member for St. Michael West Central.

Hon. R. L. SEALY: Mr. Speaker, I rise to speak on the Appropriation Bill, 2016 and I would like at the outset to say, of course, I am supporting these Estimates and I think I would have to commend the Honourable Member for St. Michael North West, the Minister of Finance, for being very balanced and responsible in presenting these Estimates. The economy is growing and we are operating with a smaller deficit. The argument over the question of basis of working out the deficit to GDP was a little surprising considering that the Minister did indicate that the 4.2 per cent of GDP was on the basis of the accrual method and this is something he spoke about last year, but the traditional method, the one that the international financial institutions use, that deficit to GDP is, in fact, 6.3 per cent so there is no attempt to hoodwink anyone about the situation with respect to the deficit to GDP. A whole set of hullabaloo about trying to hide something, no one is trying to hide anything, Mr. Speaker, and I think we need to say that.

The larger point is the fact that we are in fact governing the country through deliberate action to strengthen our position in times that are still quite fragile. It is true that we are out of the 2008 period but the world to some extent is still on the cusp of another recession lead, of course, by the falling prices of oil and what that would do to dampen demand so we still have to govern in these very difficult times. I think the Democratic Labour Party (DLP) Government should be commended because we have had to do this and we have done this successfully amidst the Opposition projects of gloom, doom and of certain collapse. This started in 2008, the Opposition was wrong then and they are wrong now. The country is well run and even though we are approaching that time of the year when campaign may get a little heated - and the Barbados Labour Party (BLP) knows about this very well - we are not trying to bribe the people with their own money. We are not

getting carried away with any electioneering type activity with respect to spending the people's money. I think again, we are taking people into our confidence and into their confidence as well and making sure that the country will indeed continued to be run well. The Leader of Opposition speaks about cutting your cloth to suit the revenue but I know the Leader of the Opposition stopped short on every single occasion. The Honourable Member talks about cutting the cloth but let us talk about cuts because if you are telling us that there is too much taxation in Barbados, presumably that means you are going to relieve tax and drop revenue, but at the same time you are saying that we are not spending enough money on all of these different areas. How are you going to get it done? You say the deficit is too great, you are going to lower the deficit, you are going to lower tax and you are going to throw a wash pan of money at everybody and everything under the sun in Barbados. It does not add up and I think that rather than speaking for four hours the Honourable Member could maybe speak for about four minutes and just tell the people of Barbados what she is going to cut.

The one point which was made at the very end, which is very true, this is a very serious debate. It is the only thing constitutionally that this Parliament has to do every year. If Parliament only met once a year as happens in some jurisdictions in the Caribbean we would have to engage in this exercise, an Appropriation Bill in order for Government to go about its business. I maintain that if the Honourable Member for St. Michael North East, she would have to be a little more specific with respect to these concerns therefore, I would like to encourage her to think a little more carefully about that. We have heard it time and time again that almost all the islands in the Caribbean are struggling with high debt and low growth rates. The mere fact that we are bringing down the deficit and that we are seeing growth suggest that we are going in the right direction and I think the Government should be commended for that. Yes, the movement is modest but we need to still be saluted for it and the fact that the projects are coming on stream, I am going to speak to that in a minute, and many of them are tourism related, but just to say that indeed if it is that we are dealing with our deficit, if we are settling some of the longstanding debt payments and so on - there was an overseas loan, I think it was the Barclays one that was recently paid off in full, a bullet loan - we are improving our debt situation and we are starting to see growth, Mr. Speaker, I think we are going in the correct direction.

Before I get into a discussion on some of the projects though, the agency that is responsible for much of the tourism work for some reason has now become the flavour of the month for the Opposition and has been elevated to a whole set of discussion, political meetings, and, of course, in here today, we heard about the Barbados Tourism Investment Inc. and some activity that is done with respect

to National Insurance funds that were borrowed. First of all, the only reason we had to go this route with respect to purchasing the Almond property in St. Peter was because the private sector was not interested. Neal and Massy had the property for sale for quite sometime and no one was interested in buying it. It tells us that the private sector was not interested. If you want to talk about all the hotels that were closed between 1994 and 2008 we can discuss that too so take it easy. Do not open that Pandora's box because you are very weak on that. I am simply saying that we intervened in order to protect that property.

Asides.

Hon. R. L. SEALY: I remember all of that.

Asides.

Hon. R. L. SEALY: At the top of her voice save the jobs at Almond, save Speightstown, save the rooms, defend the airlift, all of that and we moved in when we absolutely had no choice, Mr. Speaker. Barbados Tourism Investment Inc. borrowed \$55 million from the National Insurance Scheme (NIS) and we acquired the property at Heywoods, entered into discussions with Sandals International as you know that was the site or is still the site for Sandals Beaches. It turns out that the developer of that property - this is of course, Mr. Gordon "Butch" Stewart - having done the Casuarina Property which he acquired and was so satisfied with it, he said he would buy the Almond Property. He purchased the Almond property and we immediately decided that what we would do is redeploy those resources towards Sam Lord's Castle so, in essence, it was a Government decision that we were going to build out hotel rooms stock at Sam Lord's Castle and that was the understanding ...

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Hon. R. L. SEALY: so in essence it was a Government decision that we were going to build out hotel room stock at Sam Lord's Castle, and that was the understanding, so when we got the funds for the purchase of the Almond property in St. Peter we immediately entered into discussions with the National Insurance Scheme indicating to them what our intentions were and of course moving towards having the loan settled through a mortgage facility from the Republic Bank over the Sam Lord's Project, so there was nothing sinister about this. Cabinet was involved in this exercise. This business about Cabinet acting ultra vires is absolute rubbish. The Minister of Finance is a Member of Cabinet. The Minister of Finance insofar as seeking to exercise his powers under the National Insurance Act on a Government project, it would have been discussed in Cabinet. Is he going to be lying down

across his bed and just decide to sign \$55 million like that, it does not work that way.

In essence the decision was taken and it was a very seamless exercise. The correspondence dated January 27th shows: Further to discussion with the Minister of Finance. We had been meeting on this. Even prior to that you see reference made to meetings taking place so that when the Letter of Comfort was needed from the Ministry of Finance that was issued on the first day of February, so it was seamless. It was no point at which the National Insurance Board can say that they were exposed necessarily. The facility was due on the 31st of January and from the 1st of February they had a Letter of Comfort from the Minister of Finance with his signature on it.

Yes, it is true that for the Barbados Tourism Investment Inc. programme they requested 18 months but through the negotiation process we said that we would try to speed up the vestment, get the mortgage done quicker and you would only need three months, not two months. It expires the end of April. My information we should have the mortgage in place by then. I do not want the word going out there that officers of the Barbados Tourism Investment Inc. did anything improper with respect to our social security funds. I am not doing it. I have to stand behind my colleagues, all of them including the one that is not here, the Minister responsible for the National Insurance Scheme. The Minister of Finance and the Cabinet of Barbados are going to get together and try to hoodwink the National Insurance Board Scheme out of \$55 million, but this is a general pattern here.

The real issue is that Sam Lord's as you know, Mr. Speaker, when it is completed it is going to provide over 1 000 jobs and 457 rooms. It is going to be a fantastic project. It would help see things improve.

I have noticed a pattern with the Leader of the Opposition, the Honourable Member for St. Michael North East. The Honourable Member would not say that she is opposed to a project but you put a little cloud over it. It is like the Sandals, something sinister is going on. Within a week of entering a Memorandum of Understanding with the Sandals people, we got up here in the Parliament of Barbados and read a Parliamentary Statement and in essence put our position out clearly and made a promise in that Statement that we are going to level the playing field so that all hoteliers would be able to get food and beverage and dairy and alcohol and the like free of all imposts. As a matter of fact, we are moving towards all of inputs eventually being free of imposts. In essence, where we would treat the sector as an export sector where we will tax the outputs and not the inputs. Mr. Speaker, it is working because we are seeing investment increase, we are seeing hotels that having not been refurbished for a while are now refurbished.

We are seeing profitability come to the sector. The Honourable Member for St. Michael North East made a point about the lack of profit of profits in the hotel sector, but I will bring to the attention of the House the fact that the Hilton International which belongs to the Government of Barbados has seen a return of \$13.9 million to the owner. That is the highest return in 2015 that it has had since it was imploded and rebuilt, and that is profitability in the sector. Before you race to say that is a Government property, the Elegant Hotel group had a solid performance in 2015 with revenue increasing by 7.6 per cent, the RevPAR, which is the Revenue Per Available Room, was at \$319 up from \$296 and occupancy moved from 68.7 to 71 per cent. It is important to note because that group actually control more rooms in hotels than anybody else.

I am hearing the sector is not profitable and the large hotel group which trades on the London Stock Exchange is reporting record levels of revenue, record levels of profit and in fact they just purchased another hotel. They just bought the Tropical Escape down the road. They are investing as well, so I mean how is it that we are hearing that things are not happening in the sector and no money is being made in the sector and yet people are investing. You are not going to invest to lose money, and that is the point.

Of course, it is also noteworthy as well that the Smith Travel Research Company as also been saying... The Smith Travel Research Company is retained by the Barbados Hotel and Tourism Association to keep track of certain metrics in the various hotels, et cetera. I know there are a number of Members in this House that like to carry the water for the Barbados Hotel and Tourism Association, but you should let them give you the copy of the Smith Travel Research document because that too shows ADRs for January at \$871.93 and RevPARs are at \$675.63. I know that would be pulled up because of the winter rates, the premium rates, but the point is those two when you look at the twinned analysis here, those are the highest in recent memory as well. I do not think that we can have a discussion on spend, on profitability or on all of those issues without looking at the total picture.

I think we need to look at the issue of spend in a very holistic manner. It is true to say that the exit surveys that are done by the Caribbean Tourism Organisation gives us some indication or some idea of exactly what the spend is, but we all know that we have to move towards tourism satellite accounting, that we can have a better idea of the economic impacts in a total and complete sense of the word of the sector.

The Caribbean Tourism Organisation surveys does not take into account the parallel economy, things that are happening all along the way. Something that did not happen in 2007 that is happening now for example, the advent of Air BNB, the advent of Home Away. You did

not have that in 2007, you have it now. Barbados has a 1 000 rooms registered on Air BNB and I believe all Honourable Members know exactly what Air BNB is. We have heard numbers in that vicinity. It is true that it is only a matter of time before we have to look at some sort of regulatory framework for that situation and some taxation obviously. San Francisco and other places have had to look at it. Air BNB is something very convenient. Young people especially find it a very useful way to find accommodation solutions but we have to embrace that, we have to look at it.

The truth, Mr. Speaker, is that we have been trying to look at tourism from a completely different perspective. This Government through various initiatives, the Tourism Master Plan of course providing the guidance so in

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Hon. R. L. SEALY: We have been trying to look at tourism from a completely perspective. This Government through various initiatives the Tourism Master Plan of course providing the guidance, that was proceeded by the White Paper, by institutional reform and recruitment. We have seen the advent of Barbados Tourism Product Authority that can focus on product issues; a marketing department with marketing specialist that is doing its thing. That is part of the reason we have seen increased success. We have looked at diversifying our markets and of course offering different range of products so that we can have not only more economic activity but the distribution can be better.

Mr. Speaker, for example, we are looking at the whole question of yachting in tourism, something that was totally ignored before. We are looking at motor sports tourism as well and at what that can do for the sports tourism fusion. It is huge and we now, through arrangements with some private developers, there is a facility here now, we can do these things. But charting a future for tourism and the goal to realign and reconfigure it cause for us to look at our product completely differently. That is why the Barbados Product Authority has \$9 million budgeted this year for it, the work of the Product Authority is so important, because you cannot do things the way we used to do them.

Mr. Speaker, something as simple as trying to getting the millennial they call them, generation "X" and generation "Y", they are getting older now, people born in the 1980s are now doing their own thing, they are having families and these people operate completely differently. There is the whole question of the social media too:

TripAdvisor, CruiseAdvisor, TravelPost and all of those things. How do we get at those folks, that is why the work of the Tourism Product Authority is so important.

Mr. Speaker, it also speaks to the Government having that holistic view of how we get our tourism to another level, how do we sustain it, how does it impact linkages as well. Sir, we speak of the spend but spend is not looking at a Caribbean Tourism Organisation statistic and saying that is what it was then, this is what it now, you have to look at the overall impact of it; spend being direct spend; spend from indirect spend; spend from induced as well; people in and around the sector, and how do we work the linkages, a services based economy, with tourism leading the way but the International Business Sector obviously has a very critical role to play. In fact, international business and professional services, not only financial services in the traditional sense of the word but that is what we are about, a new economy, a new approach, a new normal if you want to speak to it, and the visitor economy as we speak about in the Tourism Master Plan; it speaks about being located at the centre where we have the right mix of investment strategy, yes, more rooms.

Mr. Speaker, the Hyatt in Carlisle Bay. I have spoken about Sam Lord's Castle already; Sandals expanding to over 500 rooms, adding another 200-odd rooms there as well. I think it is 220 now and that they are adding another 220, so they will get 500 rooms, and all that will mean for opportunities for our young people, what it would mean for reducing unemployment but at the same time having the investment, marketing all over the world including Latin America and doing what we have to do to get our visitors from elsewhere but very important the Barbados Tourism Product Authority dealing with some of those soft issues, some of those things that we do not always remember that are quite important: the experience the visitor has. What can we do to make our people more educated and aware of all aspects of the industry? Sir, the National Tourism Host Programme is doing some phenomenal work in that regard.

Mr. Speaker, I think that at this time the tourism sector appreciates and understands the different approach that we are taking, taking tourism to another level and having more holistic and developmental ideas about the sector.

Mr. Speaker, I remember being criticised for not talking about figures often enough because that was all everyone wanted to hear when we were in decline. Of course, now that we have record arrivals you are hearing something different but I will not allow myself to be sidetracked necessarily one way or the other. Mr. Speaker, what really matters to me is what type of tourism sector we will have five, ten and fifteen years from now, because it is

the decisions that we make today that will determine what the sector will be like tomorrow.

Mr. Speaker, we have not been the best, in my opinion, and always planning for the future and therefore I would like us to reflect on those realities as we go forward from here.

I would also like to say as well, I think it is quite important that we give some focus to the cruise tourism sector; traditionally never a source of heavy spending but at the same time the Caribbean is still a very desirable area for cruising and Barbados is still a very key port in the Eastern Caribbean and Southern Caribbean and we have to work to see that we have the facilities, to accommodate but that also we attract the right type of cruisers.

Mr. Speaker, in 2008 we had 80 000 homeporters coming to Barbados. This year we will have 170 000. Next year we will have 192 000 and that again deliberate strategy recognising that being in homeport offers more opportunity for our people; it offers the potential for greater economic impact, that is why we have doubled those numbers and then some. This Government has done that.

Mr. Speaker, the numbers started in the 1960s actually, vessels were homeporting here for many years, and it was just not taken seriously. I am simply saying that in 2013 I took officials from the then Barbados Tourism Authority and Barbados Port Inc., and we went to all of the major centres, Seattle, Miami, Southampton, and met with vessels and tried to get the point across that we were opened for homeporting business and that we wanted more of it.

Mr. Speaker, the agents as well were with us at the time and so we had the private sector players, we had the relevant Government departments and for the first time we had marketing people actually talking with other marketing people in the cruise lines. Now you are seeing the results of that two years later. Yes, it takes time because the way they planned their itineraries you have to make sure that you are there in their offices and that you can put the case for Barbados.

Mr. Speaker, we are not only hoping to attract the lines, we are also working with our colleagues in the Caribbean in creating something called the Southern Caribbean Cruise Alliance. As I speak to you the sea trade is actually going on in Fort Lauderdale now and there is a meeting of the Southern Caribbean Cruise Alliance planned for Wednesday. Sir, Royal Caribbean Cruise Limited is actually quite interested in possibly putting as a result one of their pulmonter vessels that is the Spanish brand of RCCL.

We have St. Kitts, Grenada, Dominica, Tobago, St. Lucia and Curacao who are interested in being a part of this alliance and in essence it is to say that we are taking the initiative, developing opportunities, developing itineraries that we can do more homeporting in this part of the Caribbean.

Mr. Speaker, western Caribbean cruises and northern Caribbean cruises are fairly popular but we want to develop the southern brand. Barbados would be a natural choice as the homeport but there is nothing to stop Martinique, St. Lucia or anyone else from also doing it, it is more business for all of us.

Mr. Speaker, on the issue of homeporting, I think I should also mention the fact that the opportunities are not only in terms of tourism directly. I was speaking about direct and indirect economic opportunities. When those vessels homeport they have to be provisioned, so there is a chance for farmers and importers as well to help provision those vessels.

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Hon. R.L. SEALY: ... There is a chance as well for -- I am being reminded that the Transport Board provides transportation service along with private sector players as well, and that is true -- a whole set of other benefits that you will not get when you are simply a stop-over on an itinerary. That is why we are pushing the homeporting along with the cruise destination for those who simply want to come and stay over. That is extremely important and we must continue to do that. Even cultural groups, and the Member for Christ Church West Central would be happy to hear that when those vessels are overnighing here and loading up, cultural groups go on board and perform and are remunerated for it. They are not doing it for free. Yes, you would hear of people going away for months on the ocean, but there are people actually living here who go on the homeporters and come back off. They are making a dollar as well. I mentioned the chance for bed nights as well, the hotels offering the cruise-and-stay programmes and so on. I think we agree that rather than simply saying we do not get anything from cruise and to forget cruise, we have to look at what types of cruises can benefit the country. Homeporting is certainly the way forward.

Mr. Speaker, there is also something else which I need to address on this issue of the economic performance of tourism and the question of leakages. We made a Manifesto pledge in 2008 that we would try to reduce leakages in the sector, and we have certainly done our part in that regard. The farm-to-table programme that

encouraged farmers to supply the hotels is still very much pushed by the Barbados Agricultural Society. That is the largest farmers' organisation, and that should be permitted to continue, but any opportunity where local producers can benefit, we have to do that. We do not, of course, encourage foreign chefs but some hotels will have to have expatriate chefs. Notice that the Barbados culinary team is doing extremely well and the capacity we have in that area is increasing, because leakages can come via labour or it can come through goods and services. It also important to note the much-talked-about concessions that we have given the sector. They have been given on the basis that you have to pass muster that whatever it is that you are bringing in cannot be provided for locally.

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

Hon. R.L. SEALY: It is not administered, Mr. Speaker, by the Ministry of Tourism or any of the tourism entities or for that matter, the private sector or the private sector agency. The Ministry headed by the Honourable Member for St. James South actually heads up that particular committee that works with us to reduce those leakages as well. I think it is important if we are speaking of a tourism sector that broadens its stakeholdership and that sees the benefits distributed islandwide to every nook and cranny, we must address that issue of leakages. That too has been receiving the attention of the Ministry of Tourism, and the product authority as well.

The reality is if the hotels are seeing people, if they are getting a record rate, what do we do to get more spend from our visitors? We have to create more experiences, but the private sector has to take the lead on that. You do not expect the Government to do that. Government can facilitate, and facilitate we do. In fact, we have increased our capacity to facilitate with the establishment of the product authority and the various departments which they have, including innovation and strategic direction. We therefore look forward to the fact that this can continue to grow from strength to strength.

Mr. Speaker, I want to say that I completely support these Estimates. I do not think that they are unrealistic. They are done in a very responsible manner. I think the projections for growth are realistic, and the tourism sector is doing its part to make sure that we will have increased activity in Barbados. We will have more rooms, we will have more jobs, and we will have much more activity happening in the tourism sector. Mr. Speaker, it is a fact that 2015 was a record year and 2016 so far is up on 2015. Again, I know that is a problem for some people. You heard the Leader of the Opposition say we equalled the 2007 record and then came back and said we passed it by about 20 000? I do not talk about it much but the truth is, for some people who do not wish this country well, it is a

fact that it is giving them belly hurt. That is the truth, because that was the only thing that mattered when I was trying to talk about product development, when I was trying to talk about economic impact, when I was trying to talk about diversifying our source markets, when I was trying to talk about putting the industry on a more sustained footing. That did not matter. The only thing that mattered was numbers. You all were not in here yet but that was all we used to hear in here. Numbers down. Numbers down. The numbers are up, so now everybody has gone quiet.

Asides.

Hon. R.L. SEALY: I can imagine the amount of foolishness we will hear in here later on, because if for eight years you have been only talking about numbers, numbers, numbers, what will you talk about now? I can imagine now. That is okay, Mr. Speaker, because I understand what is involved here. I do not expect anything to change. Eight years I have been in this job and we have had seven Opposition spokesmen on tourism. Seven. A former Minister, a former Parliamentary Secretary, an aspirant for West Central, an aspirant for St. Philip North, an aspirant for St. Peter, a Member of Parliament (MP) for St. Michael South East and an MP for St. Michael North. Do the arithmetic. Seven spokespersons, eight years, not a single idea. That is not going to change now, Mr. Speaker.

In our 50th year of nationhood, I think we should reflect on the fact that more people wanted to come and visit Barbados than at any time in our history; something we should be proud about and something that we should build on going forward. I am very happy to be a part of this exercise, and I once again want to salute my colleague from St. Michael North West. This was an excellent effort and I support the Appropriation Bill, 2016. Thank you, Sir.

MR. SPEAKER: I am obliged. Yes, Honourable Leader of the House.

SUSPENSION

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move that this Sitting be suspended until 6:15 this evening.

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

The question that the Sitting do now suspend until 6.15 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

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RESUMPTION

Mr. SPEAKER: Honourable Members, this Sitting is resumed. When the Suspension was taken, we were on Order No. 21, and with that we shall continue.

Yes, the Honourable Member St. James North.

Mr. E. HINCKSON: Mr. Speaker, I first wish to start by thanking the people of St. James North for the privilege of speaking on their behalf in this most important debate in the Annual Parliamentary calendar. I would wish to commend the presentation by the Honourable Leader of the Opposition delivered in normal high quality nature of which she is accustomed to. The debate has to be located within the context of the presenter of the Resolution today. The Honourable Minister of Finance failed, as usual, to locate the very important debate on the Estimates, on the financial position and the state of economy in Barbados within the context of how we are going to finally get Barbados out of this economic malaise that we found ourselves in over the last eight years. How are we going to, as is our duty, seek to develop the people of this country after the position we have found ourselves in under this Democratic Labour Party Government. Sir, none of the two presentors on the Government side so far have addressed those issues. These Estimates presented to Parliament clearly demonstrate the incompetence of the Democratic Labour Party Cabinet led by the Prime Minister. They reflect a Government which has presided over an increased in debt to GDP ratio of over 140 per cent. Revenues presented up to the end of January this year have decreased by 2.5 per cent from the same period in the previous fiscal year while current expenditure up to January 31, 2016, again, this year has increased by 7.5 per cent from the current expenditure for that same period in the previous year.

Mr. Speaker, the Estimates presented are, therefore, by any stretch of the imagination unrealistic. Our country just cannot continue on this path incurring increasing public debt service commitments. The bottom will fall out at some time. This is a Government that has led our country in its 50th year of political sovereignty back to an era where we are largely dependent at great risk on one sector of the economy. Sir, people coming in as tourist from outside this country for our national financial sustenance. Even so, last year's tourism contribution to the country's GDP at \$138 million was still below its 2007 level. Indeed our economy last year was smaller than what it was when the Democratic Labour Party took over office in 2008. This is a Government that has presided over an economy which has not experienced growth of over one per cent in any year since returning to office eight years ago. Under normal circumstances sustained economic growth of at least 2.5 per cent to 3.5 per cent annually is required to make any positive difference on the quality of life for the citizens of our country. This is a Government which has

unsuccessfully tried at least five different economic pathways to progress in the last eight years, all of which have failed to improve the standard of living of our people. This is a Government which has presided over the decline of our country from a lofty ranking of 37 of 182 nations on the Human Development Index in 2007 to 57 of 188 countries in 2014. The Human Development Index indicates where a country is at in terms of its health policies, its education and its per capita income, so this is a significant decline. This is a Government which has now seen our nations competitiveness declined to a position where it is now ranked at number 105 out of 188 country on the World Bank Competitive Index. This is a Government which fails to stand up as big men and women and to take responsibility for its disastrous management of Barbados' society and economy but continues to blame an international economic recession on the one hand and the Barbados Labour Party on the other hand, which has been out of office for well over eight years. The 2008 Democratic Labour Party Manifesto at page 46 states that there is a need to clean up the politics in Barbados. Sir, too many Barbadians perceived voting as a waste of time since many parliamentarians have made promises during the elections campaign which they have not delivered on. I absolutely agree with that statement made in the Democratic Labour Party Manifesto of 2008. Indeed, it was Democritus, an influential ancient Greek philosopher born around 460 B.C., considered by many to be the father of modern science (6:49) who is credited with saying that you should not trust all men but only men of worth. These Estimates have been presented to this Parliament at a time when the Democratic Labour Party has miserably failed to live up to the trust that voters in this country has twice placed in it in just over eight years.

Mr. Speaker, the reign of this Government has been marred by broken promises to our citizens after broken promises. The Democratic Labour Party's 2013 Manifesto says that it has a leader with the highest ethical standards. I respect the Right Honourable Prime Minister and I respect the Office of the Prime Minister. Sir, I have said many times in this Parliament that we are at law school together, 32 years ago. He mentioned then that he wanted to be Prime Minister of Barbados one day. One day I would mentioned that I would wish a political career. I would have hoped that he would have done better in the position of Prime Minister than he has done. The Honourable Member has to take full responsibility for his Party's failure to honour its commitments. It was clear by the second half of 2007 that the international economy was starting to decline yet the Democratic Labour Party in its 2008 Manifesto pledged to reduce the cost living. How, therefore, can a leader with the highest ethical standards preside over a Government which has seen an increase in the cost of living by over 40 per cent in an era where over 25 000 public servants have not received a salary increase in the last seven years, while over 30 new taxes have been

imposed at various stages on our constituents and where over 3 000 public servants have lost their jobs and over 16 000 persons in the private sector have also lost their jobs.

Mr. Speaker, the Democratic Labour Party pledge to significantly expand the basket of goods our people buy which were VAT free in 2008 when they came to office. How then can the Right Honourable Prime Minister have allowed his administration to drastically limit that basket since September last year.

Mr. Speaker, the Democratic Labour Party was to provide incentives to new and existing small and medium size businesses to come into the sectors of this economy with at least 40 per cent of all Government's procurement requests for goods and services to be reserved for sourcing from the small black man. How then can the Honourable Member St. Michael South have stood by in silence when the converse has instead resulted with concentration of Government's supplies and

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Mr. E. G. HINKSON: ... how then can the Honourable Member for St. Michael South have stood by in silence while the converse has instead resulted with concentration of Government's supplies and service contracts in many ministries including the Ministry of Housing and the Ministry of Public Works going to a few chosen conglomerates who do not represent the traditionally deprived class of Barbadians that we know.

The Democratic Labour Party (DLP) in its 2008 Manifesto pledged to increase the tax deductions for mortgagees to \$20 000 annually where before it was \$10 000. In its 2013 Manifesto, it pledged to offer fiscal incentives to facilitate home ownership by the middle-class. How then can the Political Leader of this country, an Honourable Member, with the highest ethical standards have permitted his Finance Minister to unapologetically not only remove all tax incentives to the financing of home purchases but to, in last year's Budget, remove all personal income tax allowances period. Only those remaining are contributions to the trade unions and statutory associations for membership fees, a one off donation to a charity which includes a church and a energy audit retrofits.

It was indeed the DLP which, in its 2008 Manifesto, pledged to establish a home ownership revolving fund for public workers and to provide interest free loans to appointed public officers with five years services to become first time home owners. How then can the Right Honourable Prime Minister agree that it is business as

usual for the DLP, on coming into office, to not even mention on one occasion the establishment of such a fund.

The DLP, during the 2008 elections campaign, signed on to providing 2 000 house spots for sale to low and middle income wage earners and to build 2 000 housing solutions annually both in its first term of office in order to help alleviate what is easily one of the greatest social needs for Barbadians. It has failed miserably on these promises. Just as it has failed, as demonstrated by the Minister of Housing's pronouncement last month, in its promise to provide at that time 500 lots in five months at \$5 per square foot for first time homeowners when, it said at the time in 2008, that those lots have already been identified, but yet last month the Honourable Member for St. Lucy still speaking about now providing these lots for the first time after over eight years gone.

The DLP, in a naked canvas of public servants in 2008, promised duty free access to personal vehicles for teachers, police, nurses and for firemen. How then can the right Honourable Member for St. Michael South, a leader with the highest ethical standards allow his Government to completely renege on this pledge since coming into office? In education, the DLP in its 2008 Manifesto, committed to the people of Barbados that it would extend textbooks loan scheme to include primary school but quite the complete opposite has occurred. We have not heard about that since they came into office and indeed the existing textbook loan scheme to secondary school students is now in a crisis stage.

The DLP pledge in 2008 to revise the secondary school curriculum to meet the needs of modern Barbadian children so therefore family life, education, ethics, civics, life skills, information technology, art music, drama, all of which we on this side agree, ought to occupy a position of greater emphasis in our school system for children but all of them would have been features of more prominence in our school across the island however, what do we have instead? No curriculum reform emanating from the Ministry of Education headed by the Honourable Member for Christ Church East Central since the year 2000 when the Honourable Leader of the Opposition was Minister of Education. What we instead have at the education Ministry, provided by that Honourable Member, is certainly the appearance, even in the opinion of some of our teachers' union of the advancing of the cause of narrow partisan political allegiance, that is all. This has been demonstrated, for example, according to as least one teachers' union, in the appointment of just over 400 primary school teacher, 416, I think it was released in September last year when after over 700 were promised appointments two years ago, previously by the Minister of Education. Allegations of pure partisan political decision making in the appointment of these 400 teachers.

We have seen no movement, Mr. Speaker, on the DLP Manifesto pledge to raise the school leaving age to 18 years old and a significant body of our young people continue to leave secondary school without any real hope of embarking on a meaningful career path as they move into adulthood. This is sad because one thing that any Government of Barbados should commit itself to is to provide hope and opportunity for our young people because they are our future. After all, over 40 per cent of our young people continue to leave school at age 16 without any marketable certification whatsoever. The DLP has failed in its promise to create a socially balanced nation with the Estimates being vowed to be transferred to the Barbados Community College declining in this coming financial year by \$700 000 at a time when you need to expand the student intake and courses at the institution. Mr. Speaker, you need to expand the student intake as well at the Samuel Jackman Prescod Polytechnic (SJPP) but yet the same amount of money being voted for in these Estimates as provided over the last three years since I came into this Parliament. This is not forward or visionary thinking, we are not going to advance in terms of our human development under this kind of policy and thinking by the DLP Cabinet.

During the presentation by the Honourable Leader of the Opposition, we have heard of the miserable state of the School Meals Service in Barbados, the lack of nutrition being provided to our young people in our primary schools. The Honourable Member for St. Michael East Central has to take responsibility for this. We know of the prevailing circumstances over the last two years of one school after another having serious problems in term of infrastructure, in terms of water and in terms of environmental issues. Children on arrival at school not knowing whether they will have to go back home or whether they will have a full day at school parents not knowing when they drop off their children at school whether they will get a call or a public service announcement to come for their child because there is no water there, the environment is bad or the infrastructure is breaking down. School after school having to go into churches or some children out from school for two or three weeks. This is what is going on in terms of the education system of Barbados right now something that was the pride and joy of the whole Caribbean.

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Mr. E. G. HINKSON: This is what is going on in terms of the education system of Barbados right now, something that was the pride and joy of the whole Caribbean. We do not know what is happening in terms of the SBAs up to now. An issue that has been outstanding for almost two years is still not resolved by an Honourable Minister of this House, the Minister of Education, Science, Technology and Innovation who is now the longest serving

Minister of Education in this country and who the media has voted the worst Minister of Education out of 13 since we started the Ministry of Education separate.

The Democratic Labour Party in its 2008 Manifesto pledged to subsidise the amnesty fees for the University of the West Indies students. The Democratic Labour Party was to subsidise the amnesty fee, so how then can the Right Honourable Prime Minister, a leader with the highest ethical standards, allowed his Government to misguidedly imposed tuition fees on the University of the West Indies Barbadian students two years ago. This disastrous policy initiative has seriously undermined the ability and capacity of 80 per cent of working class youth who previously comprised those attending that institution to continue to attend it.

Our youth today have the right to be able to aspire to come in this Parliament, the highest forum in this country like any of us. Most of us in here come from a working class background and we were given the opportunity through free university education paid for by the taxpayers of this country to come to get professions, careers and to be able to sit in this Parliament to now make decisions over the people of this country, but you get a Cabinet of Barbados making a decision to stop Barbadian students effectively who cannot afford it to go to the University of the West Indies to be given the opportunity to reach the highest ambitions that they can to realise their full talents in this country. This is a party that speaks about they and the late Right Excellent Errol Walton Barrow brought free education to Barbados. They should be ashamed of themselves. The late Right Excellent Errol Walton Barrow if he were to come back now would disown himself of the Democratic Labour Party Cabinet, that is the position.

The Right Honourable Prime Minister, the Minister of Finance and the Minister of Education, Science, Technology and Innovation all have to take direct responsibility for their Government's failure even now to deliver on the promised bursaries of two years ago, except for a short period of time last year when a modicum, \$800 per child in some cases was delivered to a small category of students.

These political representatives have also to take responsibility for Government's failure so far to deliver on the scholarships and grant programmes for the University of the West Indies Barbadian citizens which was proposed in last year's Budget in June. It has not been make clear whether this Government proposes to replace the bursaries with this programme. We asked that question two months ago and not one response from the Honourable Minister of Education, Science, Technology and Innovation or from any higher official from the Ministry of Education, Science, Technology and Innovation. Barbadian students are in limbo after commitments made in this Parliament

last year June by the Minister of Finance as to what financing would be available to them or is available after this Parliament voted \$2.5 million in this current fiscal year for this programme. With all of this taking place it was predictable to anyone with even limited commonsense that Barbadian University of the West Indies students population would decline by over 40 per cent in the year after the tuition fees were imposed.

As we speak the Government continues, as we heard from the Minister of Finance earlier today, to owe the University of the West Indies \$145 million in a situation where the Honourable Minister of Education, Science, Technology and Innovation promised exactly two years ago in these debates on the Estimates in this House to pay \$40 million every three months to the University of the West Indies to reduce the debt owed by his Administration to that institution. This is after the Barbados Labour Party in 2008 handed over to this Administration a credit in terms of financing owed by the Barbados Government to the University of the West Indies. Now, we are owing \$145 million according to the Minister of Finance. Our information is that it is much more than that.

Under all these prevailing circumstances, how can a leader of the highest ethical standards so far allow his Government to fail to deliver on its promise made in the 2013 Democratic Labour Party Manifesto to provide and income tax credit of \$5 000 maximum a year in respect of the cost of tertiary education and training as well as to fail in its promise to introduce an income tax credit of up to \$5 000 on the interest on loans sourced from the Student Revolving Loan Fund.

Mr. Speaker, this is the month of disabled, a cause dear to my heart even if not to the Honourable Member for St. Lucy. The Democratic Labour Party has failed in its pledge both to the United Nations and the people of Barbados to pass legislation promoting, protecting and ensuring the full and equal enjoyment of all human rights and fundamental freedoms of persons with disabilities in this country.

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

Mr. E. G. HINKSON: Thank you, Mr. Speaker. Persons with disabilities make up between 5 and 10 per cent of the population in this country. There are a large percentage of persons with mental and physical disabilities. The Country Living Study Report that was done in 2010 showed that a significant percentage of persons with disabilities comprised 20 per cent of Barbadians in this country who live below the poverty line. A chain is only as strong as its weakest link. A Government must feel that it has an obligation to those who are the most vulnerable in

society, and persons with disabilities fall within that category.

Again exactly a year ago I laid a Resolution in this Parliament calling for legislation improving and protecting and promoting the rights of persons with disabilities to be debated to be laid and debated within six months. No such debate has been called, and no such legislation, in draft or otherwise, has been laid before this Parliament.

I agree totally, Mr. Speaker, with the Honourable Member for St. James South that the Cabinet of which he is a prominent Member has breached its 2008 Manifesto promise to hold regular press briefing following Cabinet meetings or to inform citizens of major developments, projects and policy initiatives or to publish details of agreements and contracts involving Government and its agencies.

Besides that Honourable Member and one other Honourable Member on that side there is the veil of secrecy over this Government and its dealing. The taxpayers of this country, the voters of this country, who elected the Government and all of us to come in here and speak on their behalf are not to be told what the Government is doing on their behalf. Contracts such as Cahill Energy which has been asked for in this Parliament by Private Tuesday, March 14, 2016

Mr. E. D. HINKSON: This is in complete breach of what the Democratic Labour Party promised the people in Barbados on coming to office in 2008. Sir, to his credit, yes, the late Right Honourable Prime Minister did start out by having one or two Press Conferences, he did start out by having one or two post-Cabinet meeting briefs, even though one of those was used to unceremoniously and wrongfully fire the then Director of the Urban Development Commission, of which he got close to \$1 million with interest because not one cent or five cents have been paid to him.

Mr. Speaker, but that is the kind of Government that we have, a Government that breaches the rule of law; a Government with court judgments against it in favour of citizens of Barbados, yet those judgments are not honoured. Sir, this is a Government that says that it respects the rule of law, but that is it. Sir, the Right Honourable Prime Minister has to take the responsibility because his Cabinet has taken his lead.

Mr. SPEAKER: Honourable Member, your time has expired. Please wind up.

Mr. E. D. HINKSON: Mr. Speaker, the Right Honourable Prime Minister has to take full responsibility for his Administration's failure to account to the electorate and to operate with transparency in its decision-making.

Mr. Speaker, the Immigration Biometrics Regulations of which the Leader of the Opposition spoke and which the Right Honourable Prime Minister himself has signed into law is just one of the numerous examples of dismal governance under which Barbadians are suffering under this Democratic Labour Party; a persecuted individual would have terminated any other relationship a long time ago, in a situation where their partner would have broken so many promises that were made, only to woe them in the first place to enter into a relationship with them. Unfortunately in this case Mr. Speaker, our constituents have to wait to the end of a five-year term to do likewise. Mr. Speaker, I am obliged to you.

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

Hon. D. St.E. KELLMAN: Mr. Speaker, I too rise to speak in these Estimates and to make the point that I am speaking from a background where I am affiliated with a party that understands the importance of socially balanced, economically viable, environmentally sound, and characterised by good and transparent governance. Mr. Speaker, as you would have watched our programmes over the years, one would have recognised that any political party that can make a pledge like this to the public of Barbados is one that acknowledges that the foundation on which it has to build is not a sound foundation, but that it is one which it has to correct.

Mr. Speaker, that is exactly what the Democratic Labour Party has done over the last eight years, it has sought to make sure that we were able to do those social programmes to enhance the lives of Barbados by improving the economy and also to make sure that the environment in which people live is corrected with good governance.

Mr. Speaker, when one listens to the Honourable Member who just sat, who has been promoted, and who has now knocked out a Member who has been standing in this Honourable House for 22 years, one could understand why it is so difficult for the other side to come together, because it is clear that the Honourable Member for St. James North, the weakest link, has been given a promotion because the senior players are not willing to back their Leader.

Mr. Speaker, I want to make the point that they sent in the night watchman to do a man's job. Mr. Speaker, you would have heard over the years that this Democratic Labour Party Government is an unfair Government, that it has not done anything in the interest of the masses of people in Barbados, that even though we did not the resources, according to the Opposition, we have not done anything for this country.

Mr. Speaker, I want to dispel that lie tonight, I want to say to you Sir that under the Rural Development

Commission which would have had its beginning on 4th January, 1996, that the Barbados Labour Party in the constituency of Christ Church East was able to do 193 projects in the 11 years that they had to manage the Rural Development Commission, they spent \$2 185 912.82, providing 193 solutions.

Mr. Speaker, in eight years the Democratic Labour Party was able to provide 308 solutions at a cost of

\$3 412 605.43, at a time when it was said that the Democratic Labour Party did not have any money and that they were starving the Rural Development Commission, yet in three-quarters of the time the Democratic Labour Party in this constituency alone was able to spend \$1.3 million more and we were able to provide 115 more solutions to this particular constituency.

Mr. Speaker, there is then Christ Church East Central, under the Democratic Labour Party they were able to provide \$1.5 million, whereas under the Barbados Labour Party they only provided \$0.7 million. They were only able to 63 solutions which we were able to provide 75 solutions in that particular constituency.

Mr. Speaker, in the constituency of Christ Church West the story is the same, we have been able to demonstrate. Sir, I am not going to read out all, if you take St. Thomas, for example, under the Barbados Labour Party they were only able to spend for their 11 years \$2 186 000. The Democratic Labour Party for eight years was able to spend \$2 060 000. Mr. Speaker, on average, the Barbados Labour Party spent \$2.9 million per year in rural, whereas the Democratic Labour Party was able to spend an average of \$6 million per year on average developing the housing stock.

Mr. Speaker, what am I saying? We were able to go and do ancillary works, bath facilities, cleaning sites, demolition, electric poles, electrical work to houses, house repairs, house rentals, LPOs, new houses, painting, pest control, plumbing, ramps, rent, walk cutting, tanks, transportation, utilities. We even did a valuation and we provided water solutions, et cetera.

Mr. Speaker, now I am hearing what about St. Lucy. The Honourable Member for St. James North should be ashamed of himself because for the simple reason that the first constituency that had a Minister was from the St. James North and the story is clear that they did not care anything about St. James North but that they had to wait on the Democratic Labour Party to come and spend money, because the social works programme in St. James North, they spent until the 11 years, so he should really keep his mouth shut, that blue pleated shark, because for the 11 years they spent \$1.1 million in St. James North. Mr. Speaker, in eight years we spent \$1.766 million, we spent

over \$600 000 in times that were very difficult economic times.

Asides.

Hon. D. St.E. KELLMAN: Mr. Speaker, all the hogwash and hullabaloo that you would have heard from the Opposition, the facts are here that the Democratic Labour Party, a party that cares about the society, spent substantially much more money in developing rural Barbados than the Barbados Labour Party. And the facts are that in 11 years, while when the money was flowing, they spent only \$31.8 million, but in eight years' time, under the Democratic Labour Party, we spent \$48.2 million developing rural Barbados.

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Hon. D.St.E. KELLMAN: ... They spent only \$31.8 million but in eight years' time under the Democratic Labour Party we spent \$48.2 million developing rural Barbados. You would not believe this is an area where they had all the seats but they did not care about rural Barbados. This Democratic Labour Party that can only brag probably about one seat in rural Barbados spent substantially more in rural Barbados; \$48 million in eight years as opposed to their \$31 million in 11 years. That shows that they do not understand. What is important about this is that they would have gone overseas and heard about this urban push, and they ignored rural. The figures would show that even though rural started before urban, they spent more money in urban than in rural; all because they cannot think for themselves. They went overseas to conferences and they heard people telling them that they should ignore rural and bring people to live in urban Barbados, but this Democratic Labour Party understands and understood that if you wanted to develop Barbados, the best way to develop Barbados is in the rural districts. The simple reason for that is that when you put a road in rural Barbados, you are creating real development. When you go into urban Barbados, all you can do is resurface what is there already because the infrastructure is already there, so when you repair a road you are really only doing consolidation. That is why even in my travels I was able to say that the problem with the housing policy of the world is that they are too focused on urban Barbados and they were putting pressure on urban Barbados like the Barbados Labour Party. We the Democratic Labour Party recognised that if we are to enhance the lives of Barbadians, we have to build out rural because every time you do something in rural, you are actually creating and inviting development.

Mr. Speaker, they need to be educated on these matters. You do not have land in urban Barbados. Not that you should not spend money on urban Barbados, because one of the things you have to do in life is maintain what you have, so I do not want anybody to run and for it to be written that I said -- and I am not saying that the lady who is there would do that because I know she quotes me correctly -- that you cannot spend money on urban Barbados. It is important to maintain what you have and at the same time, you have to add to what you have. That is what we are saying; that we are going to develop the sites and services in rural Barbados.

Let me give you a good example: We have a good tourism season and nobody can doubt it but if we are to make our tourism season better and continue to attract tourists, we have to build out more areas. We cannot ask tourists to come to Barbados and you have the "samey-samey" approach, because they will look to go somewhere else. Whereas, if we can build out the areas, and we have the National Park now for years, from Archers Bay to Consett Bay, we need to build them out. That is why I have said to the Director of Rural Barbados, "The D is RDC (Rural Development Commission) is important and it has to be used for developmental purposes, and we have to understand our remit". Go and look at what our mandate is and understand that we must help the Minister of Tourism. It is not fair for the Minister of Tourism to be out there doing all this hard work, and this wonderful work that has been done by the Government of Barbados, and then we ignore that the tourists are coming here and being taken to the same places over and over, and making them tired. You have to excite them by adding to the offerings, and that is exactly what is being done under Rural Barbados.

I have heard a lot of talk about National Housing Corporation (NHC) and how the Minister is not doing anything, but I listened carefully to the Leader of the Opposition change her tune today. She is now admitting that when you do not have money, you cannot continue the same programme that was before you. I do not know why she had to go and read a textbook to understand that, because that is exactly what I have been saying and trying to teach them. It is one of the things that we have been doing under NHC, and it has been very clear that we have a very structured programme. That is why I keep making the point in here that a house to NHC is like English potatoes or sweet potatoes to a small shop. It is something that must be sold. A house to NHC is not a fixed asset. It is a saleable asset that you sell on a day-to-day basis like how you can go into a shop and call for an item. When I went to the Ministry, one of the things that I understood was the financial position of the Ministry because for 21 years, the Right Honourable Member for St. Peter will tell you, I had been telling every Minister of Housing that I cannot understand how you can have the NHC receiving land from the Ministry of Housing and Lands without a cent and still

losing money. I am still to work out the maths. What is interesting is that what is happening at NHC today is something that was started as far back as the 1990s. In other words, you cannot be running a commercial venture and expect to subsidise everything, do not get any subventions, and do not add to your deficits. You have to find some type of commercial activity so that you can make a surplus in order to enhance the deficit that is being created when you supply to the masses of people in Barbados. Our remit is clear: We have to supply to the masses of people in Barbados, and if NHC is to function to do that, it must also have some saleable assets that allow it to have a profit on those saleable assets.

That is why we have identified certain areas, and we recognise that we too have to hold the strain. I have not been a humbug to the Minister of Finance but I understood exactly the mandate that the Minister of Finance had, and I had to ensure that I put a working plan in place to create some cash flow for the agency. I want to publicly thank those members of the NHC and Ministry of Housing and the Ministry responsible for rural development for understanding the programme that has been put in place. I also want to personally thank the former and present Chairman for using their accounting knowledge to understand what the Minister is saying and to push forward the programme. I am very excited by this new Chairman because he has come at a very difficult time, and he understands his remit. That is why he is now taking a hands-on approach and has been able to get NHC to understand exactly what the Minister wants, and he has been meeting with them and showing them the programme. Everybody expects that the new Chairman would do miracles overnight. I am happy with the job he is doing. I am happy that he understands that in order to run NHC, we must be able to get some cash flow to help with our developmental projects.

For example, a lot of people believe that if you have a project to start that you must have the cash to do it. There are ways that you can do it. For example, in our commercial lots at Lancaster when we had a debt to a particular developer, we were able not to use cash to settle that debt but we were able to come to a conclusion. I am proud to report that by allowing that, it has created some excitement in that area, and sooner rather than later, the remaining lots will be sold because of the expected construction in that particular area. The truth is that in Barbados, once you have a development and you have the right persons coming to that development, it creates excitement and then people understand what they have been missing out on.

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Hon. D. KELLMAN: Sir, a lot of people did not understand that those commercial lots at Lancaster that the location was good for business people and those people who did not take advantage of it, saying that \$35 a square foot is too high will understand sooner rather than later that they would have made an error.

Mr. Speaker, I am calling for those persons who have not bought a piece of commercial land yet, to go and grab it tomorrow because the land sharks and people with exciting ideas have come on board and sooner rather than later, you will see construction.

Mr. Speaker, there is a belief that a particular fast food chain in Barbados that wherever it goes, other companies come behind and it so happened, apparently, that the developer was able to sell his piece of land to a particular fast food chain and that particular fast food chain has now understand the importance of location as usual because everybody knows that fast food chain can even put a restaurant and get people to buy their chicken, et cetera.

Mr. Speaker, I am saying that I am happy with the programme that we have going on at National Housing Corporation and I am happy about what is happening at Rural Development Commission. We cannot do what we would have done if the money was flowing, but at the same time I am one of those persons who believe that the best management comes out when the money is not flowing. Sir, when money is flowing people tend to ignore certain management techniques but when you do not have money, you have no choice than to ensure that you close all gaps and dots all Is and cross all T's. Mr. Speaker, I am happy that we will continue. We have completed Lancaster and allocated all the lots. We have completed Constant in terms of allocation and the people are before the bank. We have gone to Parish Land and we have completed some houses up there and the Honourable Member for St. George North has asked for lots but yet he would not send anybody for the lots. We have gone to Parish Land and we have completed houses up there. We are about 90 per cent completed on that project.

Mr. Speaker, I am also hearing from the Honourable Member about the Grotto. We do not have anything to be ashamed about the Grotto. Sir, I keep telling people that only a fool starts on an idea and keeps the idea when things change. Once you have an idea and things change, you have to change your ideas too. I am surprise that there are people who walk around and talk foolishness because they do not understand the dynamics of an economy. I am sure that based on what I am hearing coming from the other side that if they were driving going down the highway and there was a big crack in the road, that they will not stop. They will drive and go along and put the car in the crack. I am sure that is what they would do. Mr. Speaker, one has to be careful. One has to understand that when you are dealing

with your economy and the world economy is changing that your plans have to change.

Mr. Speaker, I have said about the Grotto that in early 2016 that problem will be solved and that is what I stand by.

Asides.

Hon. D. KELLMAN: How is not important for you because you are not part of Government's policy. It is part of Government's policy so I am not worry about that.

Mr. Speaker, I am saying that we have to understand that we have to continue to look after the interest of people of Barbados. I have made this point over and over in here that we have many solutions on the table. This is not a one policy Party where you look after one interest. This Democratic Labour Party has a solution for every single soul in Barbados and they are free, whoever they are, to come to National Housing Corporation and we are prepared to sell them a spot or house once the available is there.

Mr. Speaker, to the people of St. Lucy, I want to make the point, yes, it has taken nearly 20 years for you to receive what you have expected but the delivery time is here. You have complained about the houses and I have responded to the houses. You have complained by the transport system and the Minister of Public Works is about to correct that. You are complaining about roads and the Minister of Public Works has started that. The Right Honourable Member for St. Peter said he had promised to build an airport and he did not do it but I assure you that the Minister of Tourism has demonstrated that we cannot stand on one leg that. We must have two legs wherever we go. Sir, I am not worry about the airport talk. Sir, all those who believe that Barbados is too small to have two airports they need to have their heads examined. Sir, for the simple reason. I cannot see any sensible Government relying on the tourism industry like how we are relying on it and do not understand that we have to have an alternative runway in case there is a major emergency because we are not here to develop tourists to send to another country. We need the tourism industry, so we must have an alternative. Sir, that is why when the Barbados Labour Party was in Government, I always made the point and I want to congratulate the Minister of Tourism on this. We said that we could not be having tourists coming from our airport and going straight to our seaport and leaving Barbados and not acknowledging that we have something to offer in Barbados. I even proffered to the Barbados Labour Party that if they could not find a way to get them to stay what they need to do is to ensure that the planes and the ships do not arrive the same time and that when the people leave the airport, let them turn and go through St. Philip to the Port instead of driving down the highway and not getting a chance to see our country. You cannot have a situation

where you have people coming through your country and you do not allow those persons to see your country. There is no cost for you to promote that.

Mr. SPEAKER: Honourable Member, you have five more minutes.

Hon. D. KELLMAN: Thank you. Sir, what you need to do is capitalize. Sir, I heard a caller on the call-in programme every time saying that we are now counting in transit passengers who of home porting as long-stay passengers. What the caller does not understand is that the Minister of Tourism has been able to create home porting in such a way that the ships and the planes do not come at the same time and also that some of the people who come on the planes and ships that they have a relationship now with Barbados and they spend time in Barbados before getting on the planes or getting on the ships. Sir, the do not understand that because it is new and that is what is expected of the Barbados Labour Party. Sir, after fifty years of free secondary education and fifty years of Independence, you would expect us to do that.

Mr. Speaker, I listen well to the Leader of the Opposition and her sidekick this evening in here.

Mr. E. HINCKSON: Mr. Speaker, on a point of order. The only other person who has spoken on this side other than the Leader of the Opposition is the Honourable Member for St. James North and rules of debate Section 28 (5) says:

‘It shall be out of order to use offensive and insulting language about members of the House.’

Therefore, the Honourable Member for St. Lucy should withdraw that word.

Mr. SPEAKER: Yes, Honourable Member, I agree with you. The use of the word ‘sidekick’ is not the most complimentary, so I think he should withdraw it and have it struck from the record.

Hon. D. KELLMAN: Sir, I will withdraw the word but I never referred to the Honourable Member for St. James North as the sidekick. It is the Honourable Member for St. James North that put it in the record that he is the sidekick.

Mr. SPEAKER: Honourable Member, you are wasting your time.

Hon. D. KELLMAN: Mr. Speaker, the Honourable Member for St. James North, that is what he said because based on what he said in here ...

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Hon. D. St.E. KELLMAN: Mr. Speaker, the Honourable Member for St. James North know just what he said because based on what he said in here today, that the people in Barbados should be back to the conditions in which they were in the 60s because he gave an argument that what we did for them in the 60s, 50 years after independence and 50 years after free secondary education. That is the type of thinking that my friend, let him my friend now, has brought to this debate this evening. He is saying that after 50 years of development that the people should be still getting what they were getting in the 60s. I was waiting on him to say that slavery was good for black people.

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

Mr. G. A. CLARKE: Mr. Speaker, I entered this debate because I have heard from the Honourable Member for St. Lucy and I was not prepared to speak today but I think I have to respond. When I heard the Honourable Member for St. Lucy I remember a book written by George Orwell, “all animals are equal but some are more equal than others”.

Asides.

Mr. G. A. CLARKE: It is “Animal Farm” by George Orwell, but I am not sure if the Honourable Member has read that book because I heard him start off his exercise by quoting from the DLP Manifesto and he did not even read it correctly and he reminded me of when the sheep came out to repeat the slogan some of them had it wrong. He wanted to say that in this Manifesto that it is to be economically, I do not remember the correct term, but it is supposed to be viable and his quotation was not correct as is written the Democratic Labour Party’s Manifesto. It draw on my conscious when he said that the “D” in RDC is really the Democratic Labour Party, and his directors as opposed to “repeat dis”. I heard that the “D” in RDC is the Democratic Labour Party and then he went on to develop the argument that he has allocated all the spots and houses in constant and that the Honourable Member for St. George North told him that he was going to submit a list and he did not. Mr. Speaker, it reminded me about George Orwell’s book “Animal Farm” that we have a Parliament here that some Members are more equal than others.

I remember my first act as Minister of Housing, when we were supposed to develop Gall Hill in St. John, I did not take a single lot. I asked the Right Honourable Prime Minister then to submit the names and he got all the lots that he wanted and we did not send a single person in

Gall Hill, St. John and that is true. The Prime Minister would always say in Parliament that I was his friend, not that we were friends in terms of me going at his home and so on but I treated ministers and I treated Parliamentarians with courtesy. We had a system that Parliamentarians' constituencies should be allocated a certain percentage of lots and I am being told tonight that the lots in Constant, St. George, after we have waited so many years for those lots have been ...

Hon. D. St.E. KELLMAN: On a point of order, Mr. Speaker, the Honourable Member is misleading the House. I never said all the lots were allocated at Constant. What I said is that I am still waiting on the Honourable Member for St. George North.

Mr. G. A. CLARKE: Mr. Speaker, I have warned the Government that we have to treat Parliamentarians with respect. My constituents have asked for some of the lots and the houses and I am hopeful that we get some.

My main point tonight, however, is that I have been in this Parliament for a long time, it is my 22nd year and some of them will not get 22 years anyway. This is my 22nd time in these Estimates and the Government is talking about our 50th year of independence so we will talking about our 50th year tonight. In the 50th year of our independence, do you not think that we should really be encouraging participatory democracy? Mr. Speaker, do you not think that we should be encourage people to be involved in this Estimates? Mr. Speaker, every year for the last 22 years we received a book or two and sometimes the print is not as clear as you would want but I am of the view that the time has come for these Estimates should be printed and I believe that they should be online. Why are we having two big books written in fine print and the public sometimes do not know what is happening? It is a mystery. I am saying if you want to encourage participatory democracy in our 50th year that more and more people should be involved in this process. Why is it that the briefs that the Government produced in our 50th year should be a mystery when this is a public document? I am of the view further, Mr. Speaker, that in today's society the schools and universities, should be more involved in this process, it should not be a mystery so that when the Minister of Housing gets up and speak about rural development, the Rural Development Commission (RDC) has allocated all of these houses and roads across rural Barbados and that the average spent by the present Government is \$8.9 million cannot be seen in St. George. I am being honest being this is an honest exercise.

About 25 years ago, the late George Brancker took me and I went through all of these here so I know everything which is supposed to be in the Estimates. Mr. Speaker, the Estimates contains everything that the public ought to know, there is no fooling. The public should know

how much how much money Rural Development Commission (RDC) is getting, \$14.something million but what they do not know is the programme. We can tell you because there is nothing hiding and I told the ministers that we got the brief too. We know that the Rural Development Commission (RDC) is now doing a road in Stoud Bay for \$70 000. We know that steps at River Bay is costing \$100 000. We know that he is building a wall house at Mile and a Quarter for \$100 000. We know that they are paying ...

Hon. D. St.E. KELLMAN: On a point of order, Mr. Speaker, the Honourable Member is misleading the House because the Honourable Member is not telling the House that \$1.1 million was spent on his constituency where 11 auxiliary works of for electricals, 23 house repairs, 1 LPO, 6 new houses, 6 paintings, 1 plumbing and 8 persons were paid rent, 4 waters solutions were put in place and 16 wells, and all of this occurred under the Democratic Labour Party between 2008 and 2016. Yet he is telling the House that he does not represent his constituency well.

Mr. SPEAKER: Perhaps he has not gotten to that. Honourable Member, please continue.

Mr. G. A. CLARKE: Mr. Speaker, I am saying that I requested a single light at a place called Locust Hall and I am sure, Mr. Speaker, that you are well aware of Locust Hall ...

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Mr. SPEAKER: Honourable Member, please continue.

Mr. G. A. CLARKE: Mr. Speaker, I saying that I requested a single light at a place called Locust Hall and I cannot get it. I am sure, Mr. Speaker, that you are well aware of Locust Hall. There is one single light at Locust Hall for the last three years at Locust Hall. Mr. Speaker, the officer said to me that they cannot get money to travel whereas the Minister is spending \$60 000 per month in rent for the rental of the Rural Development Commission office at Bridge Street.

Hon. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. The Rural Development Commission is not paying \$60 000 in rent so anybody who says that the Rural Development Commission is paying \$60 000 in rent, do not understand amortisation or anything like that.

Mr. SPEAKER: Thanks for the elucidation. Honourable Member, please continue.

Mr. G. A. CLARKE: I have already, Mr. Speaker, that these documents here are public documents, They are not Democratic Labour Party documents or the Barbados Labour Party documents and the public have a right to know what is in here. The Minister of Education, Science, Technology and Innovation would tell you that his schools and the University of the West Indies would have a document like this where they can go through every line by line. It is sometimes that they do not know because I believe, and I am very upset when the Minister of finance said today about training, that every Minister should provide training for the new staff and for those people in the university who do not understand it, but there is no mystery in these documents for those who know it.

I am saying to you, Mr. Speaker, that the Member of Parliament for St. Lucy who is the Minister of Housing and Lands is getting the lion share and that is why I remember George Orwell. I am not saying that he should not get the lion share but at least provide a single light at Locust Hall and at least provide a bus shelter at the Polyclinic at the Glebe.

Mr. SPEAKER: Yes, Honourable Member.

Hon. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. The Honourable Member knows that up to today that an officer from the Rural Development Commission went to his constituency to look at a house near to his house.

Mr. SPEAKER: Thanks for the elucidation.

Mr. G. A. CLARKE: I will move on. I will hope, Mr. Speaker, that we could see with the naked eye what is happening in these Estimates. I could tell you that we are getting a fair share of the welfare grant. I must tell you that the Minister reached out to the Opposition in numerous ways. There is no hiding of facts. If you appeal to the Minister and the Director for a case in your constituency you get service and I applaud that particular person who understands that this is public money and that people have a right to live.

I am saying too, Mr. Speaker, that in these Estimates that are presented here tonight you have a situation where the economy is growing by 0.7 per cent. I am glad that they have returned to growth after a while. I am glad to see that in this year they should be buying buses, paying better wages, and looking at streets and so on. We held because we knew that the economy had a drag. We knew that we could not ask for everything but since the economy has returned to growth we would expect, Mr. Speaker, that person in Barbados - the unemployment level now is 11.8 per cent according to these Estimates down from 12.3 per cent - to see more employment that at least, the 0.7 per cent that have been shown as growth, we could get a few jobs

not only within St. George North but also within St. George South.

Mr. Speaker, I would also want to see a number of persons that I see on the block in the St. Philip and Christ Church areas and across Barbados getting work as well. I remember, Mr. Speaker, I spoke some time ago about a young person who wanted work. We found a job for him at the National Conservation Commission as a watchman and he was laid off and he could not understand why was it that he was laid off after he had been going to work so often. He cut his hair, he became a Christian, he had five children and he was supporting them and he was doing well, but now he is back on the street. I spoke to the Minister who assured me, he is not from my constituency, that he would give some help, and that is what I want to hear. I want to hear that there is some positiveness. You must not tell me that the D in RDC stands for the Democratic Labour Party because I never practised that. It cannot work.

Mr. SPEAKER: Yes, Honourable Member.

Hon. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. This is about the fourth time that the Honourable Member has repeated something which he knows that he is misleading the House. I have never said that the D in RDC is the Democratic Labour Party. The truth is the D in RDC is development and the Democratic Labour Party is also for development, so thank you.

Mr. SPEAKER: Alright, point taken. Honourable Member, you should refrain from saying so.

Mr. G. A. CLARKE: If it upsets the Minister that D represents the Democratic Labour Party we will replae... He says D is for development and I hope that the Honourable Member would change his ways and would adopt a more democratic and developmental approach. He has to understand that...

Hon. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House when he gives the impression that I have been unfair to him when in eight years I was able to go into his constituency and spend \$1.1 million whereas for 11 years under his Government, he was able to get \$1.2 million.

Mr. SPEAKER: Honourable Member, that cannot be based on a point of order. Thank you.

Mr. G. A. CLARKE: Mr. Speaker, the Honourable Member has said that he is of a more developmental approach and I appreciate that because the Minister would then ensure that his staff and the department under his watch would not feel that only persons belonging to the Democratic Labour Party receive any help at all. I want to

see this as a participatory democracy. It must be a participatory democracy. We must be able to encourage people across Barbados to get help. I hope that when the Honourable Member reads *Animal Farm* tonight he does not digest everything in it because it is not written as to be taken literally, and I want you to understand that. I want the Honourable Member to read it but do not take it literally. He has to understand that it was written several years ago.

Secondly, Mr. Speaker, I want to say that in our 50th year of Independence we have seen a lot of development over the years but for the very first time we have seen a situation where construction has declined by 3 per cent and agriculture manufacturing and energy are down, and we want to see a lot of attention being paid to these sectors that have declined over the years. I am glad to hear that tourism has grown by 5 per cent according to these Estimates and arrivals have increased. Mr. Speaker, if this continues it would be a good sign and I would want to see that something be done for the sectors that I have mentioned that are on the decline especially construction.

Mr. Speaker, in this year's Estimates too we have seen a situation that the capital works programme of the Government is about \$433 million, which represents the assets being held by Government, better computers, to build better roads, schools, office buildings, police stations and so on. Mr. Speaker, this \$433 million represent less than 10 per cent of the full revenue of our Government. When you look at this what is it that we would be trying to build out. I believe that a Government should look, in my view at a stronger allocation of the capital works because the capital works programme, Mr. Speaker, adds to the viability of the Government. The capital works programme as a fixed assets would generate income in the future.

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Mr. G. A. CLARKE: Mr. Speaker, we have to be able to understand that if we want to be able to cut back on crime and violence, if we want to increase or to generate employment we have to increase the votes of the capital works programmes of the various Ministries.

Mr. Speaker, when you look at Housing, for example, that capital works programme is just \$8.9 million; if you look at the capital works programme for the Office of the Attorney-General it is \$5.4 million; if you look at Transport Board that is getting \$41.9 million in capital works programme; the Attorney-General \$3.49. I am saying that these capital works programme as a percentage of Gross Domestic Product should be increased because

this capital works programme is the programme that lends itself to increase activity within the area.

Mr. Speaker, I am hearing that they would be building four police stations in this financial year, overlapping from last financial year. This will generate employment. I am saying to that all the capital works programmes should not only be sustainable for the long term but that we need to see more and more people being employed. I understand too that more and more contractors are now beginning to get work and that is one of the reasons we are here. Sir, we are here to protect the vulnerable, I am saying that we need to increase activity within Barbados so as to help our society.

Mr. Speaker, as we return to growth I am going to make a plea for professional classes like lawyers, doctors, contractors, undertakers, dentists. I am saying that in these Estimates we find that by 31st January all professionals have to pay their fees upfront. If they do not pay those fees by 31st of the same month, the following month those fees double.

Mr. Speaker, we have to do better than this. Some professionals have brought it to my attention that it is hard on them. I believe that the Government should be looking at this aspect, not really to reduce it but to allow people to pay across the year.

Mr. Speaker, the next thing is that I see a lot of police officers, and it is a waste of time for the police too and I hope that Minister of Transport and Works would look at it. Sir, we had a study done about how do we detect persons who do not pay their road tax. Sir, there are police officers daily taking up much of their time doing inspection of vehicles, whereas in North America and in some part of the developed world there is a tag at the end of the number plates. Sir, every year you receive a tag which you attach to your licence plate. You do not waste time, that is the sort of thing that we want to see, we want to see more developmental approaches to governance.

Mr. Speaker, when police officers have to use much of their time, let us say, in inspecting an accident, do you realise the amount of time and man hours that are wasted when these police officers have to go to accidents or have to inspect vehicles for those persons who have not paid their road taxes.

Mr. Speaker, I am saying if we want to improve these things, if we want to improve efficiency, we have to be able to be able to...

Asides.

Mr. G. A. CLARKE: Mr. Speaker, that is something that we applaud. The Minister has assured me that in these

Estimates here, Mr. Speaker, \$2.5 million has been put to look at this. Mr. Speaker, again I have told the Minister, the Honourable Attorney-General and the Minister are my friends but I have told them that we need to look at the demerit point system. It has taken eight years and we have not seen anything, no regulations have not been brought to this Honourable House.

Mr. Speaker, I heard the Minister of Public Works and Transport talking about bringing an amendment to the Road Traffic Act. Sir, you do not need an amendment, you need the regulations coming here because in that 2006 Road Traffic Act, it is a modern piece of legislation that I brought to this Parliament. The Honourable Member knows that, all that the Honourable Member needs to do is to bring the regulations of the demerit point system.

I heard the Honourable Member complaining and I know that he would complain because when the Honourable Member came here a couple of years ago the Honourable Member was green. The Minister of Finance and Economic Affairs was talking about the mini bus men, how he was talking about getting the mini bus men on his side, and he was saying how wonderful they are. I have heard the Honourable Member in the last financial year saying that these men as not as good as he thought they were, and that he cannot get them controlled. Mr. Speaker, I am saying to the Honourable Member that the demerit point system is that system that the Honourable Member should be using.

Mr. Speaker, I am saying further too that the regulations to the Road Traffic Act, bringing the demerit point system should be here, so that we would be able to pass forward the thing.

Mr. Speaker, the other point is that I have not seen anything here in these Estimates for drivers' licences. They have told me that nowadays when you go the Pine that you cannot your picture taken. Sir, I put that system in place where today persons can get their drivers' licences instantly. I am asking the Government... I mean, we have gone past this almost ten years now and the technology has not been improved upon. We have to improve and to do better in our 50th year. Sir, persons going to have their licence renewed should not have to wait in line as they now do today. We had three centres in operation, today I understand that people have to go the Pine, which is the only centre now in operation.

Mr. Speaker, the last thing I want to talk about is the banking system. I believe that the commercial banks are being unfair, that the Government and the Central Bank of Barbados has encouraged them to charge low interest rates for savings, they than charge high fees for loans, so that the banking system is now attracted to the Central Bank of Barbados rate for loans, debentures and all types of things.

Sir, the Central Bank of Barbados is now raking money off the system, so that the commercial banks are now investing more money in the Central Bank of Barbados, in turn the Central Bank of Barbados is selling Government Papers but the commercial banks and cooperatives are not helping the public.

Mr. Speaker, for example, it was brought to my attention that persons in agriculture, construction and small business men are finding it very difficult to get loans from commercial banks. When one gets a loan and would want to renegotiate it becomes very difficult at the commercial bank level. I think the time has come for the Government to look at how it can help the local business sector that is why I recently heard someone talking about a development bank. Sir, the reason for this is that the commercial banks are not lending long-term capital for persons who have ideas, including persons who want to renegotiate their businesses, et cetera. These people are not being helped by the commercial bank. I believe that more has to be done by the commercial banks to help small businesses and individuals.

Mr. Speaker, in our 50th year it is taking too long to have loans approved, the charging of fees by the banks is exorbitant and we have to look at that. I believe, Mr. Speaker, that we have to be able to speak to these things in these Estimates here, that the commercial banks and credit unions are not lending as fast as they should, for developmental purposes.

Mr. Speaker, you can get a loan for a motor car in Barbados in less than two days, but you cannot get a loan for someone who wants to develop a piece of land, someone who wants to raise pigs, someone who wants to go into manufacturing. Sir, you cannot get a loan by the commercial banks.

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

Mr. G. A. CLARKE: Mr. Speaker, I heard the Minister of Industry spoke about this recently, and it is true. We have to be able to call a spade a spade and if we want, in our year of Independence, and we want to develop Barbados, the Central Bank of Barbados has to be able to put a system in place to be able to ensure that loans charged in agriculture should be lowered. I believe too that they should be passed on, especially developmental loans of 2 or 3 per cent. Mr. Speaker, I talked about this a few years ago, that persons who have mortgages in North America were getting 3 per cent; the same banks came down here and lend Barbadians at 5 and 6 per cent. Sir, can you imagine this? I am talking about the Royal Bank of Canada and the Bank of Nova Scotia, Mr. Speaker, and all the North American commercial banks are lending mortgages at 3 per cent and people are fighting to get them even lower but in

Barbados you find they are lending at between 5 and 6 per cent.

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Mr. G.A. CLARKE: ... The North American commercial banks are lending mortgages at three per cent and people are fighting to get them even lower, but in Barbados you find they are lying at five and six per cent, and a couple years ago they were at nine per cent. We have to be able to look at these things, Mr. Speaker. I am concerned not only about the banks but I am concerned too about what is happening in the farming community, but I understand that we may call that Head. In terms of the Barbados Water Authority (BWA), I believe the BWA is doing Barbados a good service too but they have not reduced the rate. I hope the Minister of Water Resource Management looks at this. Have you realised that over the last two years in particular that the energy cost to water has been reduced? Barbados Light & Power now can give you a rebate because the cost of oil has been reduced. BWA is the only utility that does not give you that reduction. It is costing less now to produce water than it was a couple years ago, and we need to look at that. They are not going to tell you that but the Barbados Light & Power can give you a rebate and they are doing it, and I want to applaud them because you are getting a reduction in your light bill. However, you are not getting the corresponding rebate at the BWA so BWA is making extra money, and the Minister needs to watch that. It is good that they are making money, but they need to pass it on, and I hope that can be addressed in these Estimates.

Mr. Speaker, I also want to talk about the police in here but I do not have enough time. I want to say that in this year's Estimates there is a lot of room for us to look at developing our society. Sometimes you have to make changes, and as our Leader said a couple minutes ago, sometimes you have to reallocate certain things and look at certain areas that really need attention. I want the Government to look at the Catastrophe Fund again. I also want them to look at the Housing Credit Fund which, to my mind, is a good instrument to help low-income housing, and I would want to develop this over the next couple of days; how the Housing Credit Fund, which was a revolving fund of \$10 million in 1983 has at this present time in excess of \$200 million that has built up. The Government has it and it is right there in the Central Bank, and we have to look at that revolving fund. Mr. Speaker, I am grateful to you.

MR. SPEAKER: Yes, the Honourable Member for Christ Church West Central.

Hon. STEPHEN A. LASHLEY: Mr. Speaker, I too would like to signal my support in this debate for the Appropriation Bill and to, first of all at the onset, congratulate the Minister of Finance and his team for presenting to the House Estimates of Revenue and Expenditure that clearly indicate that the Government of the Democratic Labour Party has certainly kept to a strategy to rebuild the Barbados economy. I say that against the backdrop, not of what I have heard coming from the benches of the Opposition, but certainly what has been borne out from the statistical data and certainly all the reports coming out of the International Monetary Fund and the World Bank. I would also like to say that so far in this debate, with the exception of the last Member who spoke, the Honourable Member for St. George North, there really has not been, as usual, anything coming from the Barbados Labour Party that tells us that they have a sense of how the Barbados economy works or indicating any real alternative strategies to further propel the growth of the Barbados economy. I would therefore have to conclude that, with the exception of the suggestions made by the Member for St. George North, again we are seeing an Opposition party that is so devoid of ideas and so divided in their focus that in this debate, we cannot really come to the House as an Opposition party with any degree of focus.

I listened with amazement at the Leader of the Opposition, and of course someone whispered and asked me why it was necessary for the Opposition Leader to speak for so long and repeat herself. That was echoed in relation to the Member for St. James North as well who, without placing his focus on any particular matter, wandered far and wide in trying to find something in terms of the strategies outlined by the Minister of Finance as they relate to the direction of the Barbados economy.

There is no doubt, Mr. Speaker, that the Government's approach has been to stabilise the Barbados economy in rather difficult economic times, and we have seen stability coming back to the Barbados economy. In fact, it is clear that the Barbados economy is on a growth path, and that cannot be contradicted. In fact, the projection is for the Barbados economy in this upcoming financial year to grow by about 1.6 per cent. Mr. Speaker, that suggests to me that the economy of Barbados, which is being ridiculed by the Barbados Labour Party and all their spokespersons, is on a growth path. It has been stabilised but we recognise, Mr. Speaker, that there is work to be done indeed. That is why I always say that the Barbados Labour Party spokespersons, in seeking to address the whole question of how the Barbados economy works, tend not to focus and to place their gaze on the reality of what is happening in the global economy. All of the reports and the projections, if you look at them in relation to where the global economy is going, point to the fact that many of our economies, particularly those advanced economies, are themselves under serious challenge. Certainly, the global

environment is pointing to a situation where, while there has been some global growth, the financial organisations are still saying that there must now be a tendency to be vigilant and be cautious in terms of your fiscal strategies.

Mr. Speaker, we have clearly enunciated a strategy. When you look to the 2013 Manifesto, which members of the Opposition read but certainly do not understand, you will see that we have captured a focus of building out a Barbados that is economically viable and socially balanced, and all of the areas within the Estimates which have been placed before this House speak to moving the Barbados economy forward based on those tenets of social balance and economic viability. Mr. Speaker, I want to say that even as it relates to the gross Government debt of Barbados, that the Leader of the Opposition very incorrectly stated - maybe playing for the gallery but the gallery, I believe, understands what is happening in relation to the debt profile of Barbados - that the Jamaica debt situation was now better than Barbados'. That is blatantly and patently incorrect. Mr. Speaker, the truth is that the Barbados gross Government debt in terms of percentage to GDP in relation to the World Economic Outlook 2015 stands at 107 per cent compared to the Jamaica position of 136 per cent. That, Mr. Speaker, tells you that obviously the key spokesperson in relation to these matters, the Leader of the Opposition, certainly has not researched the data and could not come to the House with a well-researched presentation.

7.57 p.m.

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Hon. S. A. LASHLEY: ... and could not come to the House with a well-researched presentation to convince us that the Barbados Labour Party in Opposition understands what is happening in the economy of Barbados and, therefore, one would have, and I have to say without any remorse that I have not been captivated by anything I have heard from the Barbados Labour Party benches. They have not suggested to me in their pronouncements that they are on board in relation to the future development prospects of the Barbados' economy and there appears not to be a single common thread which hold the Opposition together in relation to how they have forecasted the growth of the Barbados' economy. Certainly, in relation to the programmes that I have responsibility for under the Ministry of Culture Sports and Youth. We have remained very focus in relation to bringing structure and purpose to the notion of economic viability, to the notion of development, to the notion of creating a socially balanced society. When we say for example, that we have to develop jobs for our people and certainly, our focus has been to develop jobs for our young people in Barbados but it cannot be seen in a vacuum. Sir, the development of jobs in Barbados cannot be seen in a vacuum. Sir, innovation

which is very central to how we develop the potential of our young people is a very critical aspect of that. I have to say that when we talk about developing jobs and empowering young people and invigorating the Barbados' economy and we speak in actual facts. When we brought before the House the Cultural Industries Development Act. We debated that Act within the context of creating diversity in the Barbados' economy and we brought that legislation to the House because we felt that we needed to put before the young people of Barbados in particular and by extension, the whole creative sector, a new dimension upon which they could help to build out the economy of Barbados. Sir, we proclaimed that legislation in February last year, we have done all that is required to date to ensure that the structure upon which that legislation has been implemented has been put in place and we have begun to see that particular innovation and initiative which is keep to the growth path of Barbados... Mr. Speaker, when we speak of growth and sustainable growth by putting in place the mechanism to ensure that growth is not only happening but that it remains sustainable.

Mr. Speaker, I want to say to the House that certainly the move towards enhancing the cultural industries in Barbados is a single development by the Government of Barbados that has begun to show that we are moving in the right direction.

Mr. Speaker, I want to say that so far, we have had a number of submission of projects under the Cultural Industries Development Act. In fact, we have over the past few months just about \$3.1 million in projects that have been submitted to the cultural industries development authority. We had always plan, along with the Ministry of Finance that we would look at the experience in terms of how people have actually responded to the opportunities under that particular legislation, namely, the whole question of how we are going to capitalize the cultural industries development fund and then we will plan in terms of ensuring that fund is appropriately capitalized. Of course, we would like to capitalize it with a lot of funds but we have to do it incrementally. We have had that experience and, therefore, I have make representation to the Ministry of Finance to now move ahead in terms of how we can capitalize the fund. We have had some very interesting proposals in arrears that represent serious areas of potential growth for Barbados' economy in this area and those have been in the area of music recording, entertainment from music TV, animation, architecture, music studio, restoration construction and digital arts. Sir, all those are keys areas upon which we certainly once we can have the creative sector moving seriously forward in these areas which represent growth areas for the Barbados' economy. Sir, animation is one of those areas that globally had shown a resilience and a propensity to create entrepreneurial activity.

Mr. Speaker, we are not only talking about creating jobs. I think that is one of the fallacies but we have gone past that. There are young people in Barbados who are utilizing opportunities under the Ministry of Culture Sports and Youth in the various areas and that are etching out areas in which they are empowering themselves through entrepreneurship and animation is one. Sir, while we are talking about the needs for jobs, we have a bigger need which we have recognised for developing our people in terms of their potential for creating entrepreneurship, creating inventions and creating those areas that would be key towards creating the solutions to many of the challenges that we face. (6:33).

Mr. Speaker, if those particular solutions are homegrown by our Barbadian population, particularly our young people then many of the areas of critique which keep recycling in the minds of the Barbados Labour Party, those solutions are being found by young people of Barbados empowered by the programmes and the systems driven by the cultural industries and, of course, the wider areas of the Ministry of Culture Sports and Youth.

Mr. Speaker, this is no secret because at a very early stage, we have earmarked the areas of culture and sports in particular and broadly the creative sector as being key areas upon which our economy has got to be driven going forward. We have had already about 300 practitioners who have begun the process of registration on the national registry under the Cultural Industries Act and we have issued 38 certificates to date to those persons. There is a live website where persons and businesses can be registered and the authorities have already done a number of pitch programmes to test the market in terms of business viability and 48 persons so far have been attracted to one of those pitch programme, 40 businesses have participated and another pitch programme is scheduled for October this year.

Mr. Speaker, we have had six businesses have attracted investment support so far and 22 businesses have been considered investable and those area are film production, cuisine and culinary tourism and, again, animation and technology and fashion production. We intend to work with them particularly in providing the necessary financing and so on to ensure that these particular business opportunities can build out a base upon which we will be able to reap some of the successes that we believe that we should reap.

Mr. Speaker, I believe that these are areas that we have been very careful to target because they represent areas for economic growth in Barbados. certainly, the answer to our challenges still remain the whole question of how we are going to grow more foreign exchange for the Barbados' economy, how we are going to build out an economy by which we are going to pay our way in the

world and how we are going to earn foreign exchange in a very volatile world environment. This is an issue that is being faced by many of the economies of the world. Indeed, one of the challenges that we face are some of the issues impacting on Asian economies, China in particular and, Of course, what is happening in South America, that we will have to be also ready to address going forward.

Mr. Speaker, I want to point to the whole question of what we are doing in terms of empowering persons. We brought to this House a national youth policy which earmarked as the very top priority for young people. They felt that the issue of youth unemployment was ...

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Hon. S. A. LASHLEY: ... Mr. Speaker, the National Youth Policy which earmarked as the very top priority for young people. They felt that the issue of youth unemployment was a very serious matter. It became the top priority for our young people and we have begun to address that. Mr. Speaker, I keep talking in about our Endless Possibilities Programme and in the new financial year we earmarked that we would be able to target certainly in the first cohort, another 80 young people in the Endless Possibilities, a very carefully crafted programme which is a combination of training and job placement and we have entered a partnership essentially with the private sector of Barbados. I have to compliment the 25 or so private companies that have entered into partnership with the Government of Barbados. What we have said simply is that we have a number of young people who leave school without having the necessary qualifications to be employed and we have determined that we would train them. Along with private sector partners we would enter into a Job Placement Programme and we have already secured through that Job Placement Programme permanent employment over the past three years or so of that programme, for in excess of 250 young people. Mr. Speaker, we believe that the continuation of that programme among the other programmes that we are pursuing in the Ministry will be able to start the ball of tackling our young unemployment programme.

Again, Mr. Speaker, we have heard a lot about the Commission for Pan African Affairs, indeed, the Commission for Pan African Affairs have been at the forefront in a reconstructed mandate to ensure that we can focus on this very critical issue of identity renewal in Barbados. We still have to grapple with the issue of how we can transform Barbadians generally speaking into a

truly entrepreneurial society, persons who have the confidence to move forward in their various businesses and create mechanisms by which, of course, they can propel themselves forward. The Commission of Pan African Affairs has put in place a programme called the Social Identity Renewal and Integrated Upliftment Strategy called the SIRIUS project. That particular project is a leadership and innovation initiative and uses Barbadian Afro-centric heritage and values to reinforce individual and national identity. These are all caught up within the context of creating a socially balance society because we believe that if we are going to talk about entrepreneurship that we have to ensure that our young people are sufficiently prepared to ensure that they can feel confident that they can get it done.

I want to spend a few minutes on this because that programme created a project called the Mirror Image Media and Innovation Lab. Much of this concept is taken from the very important speech given by our first Prime Minister, now national hero the Right Excellent Errol Walton Barrow. The mirror image speech that was given by our former Prime Minister was not just a speech but it has become a mantra in relation to how we can transform who we are as Barbadians and he talked about the mirror image in relation to fashioning a new path upon which we would propel Barbados and take Barbados beyond where we are into practically a developed nation and that is our goal. That Mirror Image Media and Innovation Lab, Mr. Speaker, has so far created a number of very innovative business that have been able to create the kind of goods and services that we believe will be able to be marketable and create foreign exchange for us. We have Identity TV, that is one of the businesses, we have a BimROCK Magazine, that is an online visual media business. We also have a graphic novel conception called the Bridgeland, we have another Barbadian firm that is involved in a project called going beyond and they are also involved in the CaribbeanTales International Film Festival in Toronto, a very innovative entrepreneur who has taken the business of film to a new level and we believe that will bring about the kind of value-added that we want to do in growing our film industry in Barbados. In the culinary arts under that programme, Mr. Speaker, we have a number of business that have created very innovative products. In fact, there is now culinary innovation lab which is a very interesting concept; a kitchen that is made accessible to our youth partners to become creative in the culinary aspect and, of course, we have other areas in that as well. There is one particular one under a programme called the General Bussa Youth Leadership Programme in which many of our young people have testified about how that programme have made them, not only more productive, but more surefooted in terms of their business strategies. There is one such programme, Mr. Speaker, where we talk about how we are going to utilise technology. I believe I heard the Honourable Member for St. George North speaking about how we can utilise technology but our young people,

through these programmes that we are spending the taxpayers money on, and which, of course, the Opposition is saying that the Government has not done anything. In fact, I heard they said that Government's programme has failed. How can our programmes fail when our young people are utilising our resources, are propelling themselves into becoming entrepreneurs and into helping the transformation of our economy?

Under the General Bussa Youth Leadership Programme, again designed to build identity and confidence among our leaders, we have several projects and programmes, but we have several businesses and one of those business is called Caribbean Transit Solutions. Caribbean Transit Solutions uses GPS, mobile data and internet technologies to provide fellow Barbadians with the platform to search for local bus routes as well as to request and book taxis and, of course, using their mobile phone and using the relevant app to do all of this in terms of finding their destinations. This innovation came out of the General Bussa Youth Leadership Programme out of the Commission of Pan African Affairs where we essentially provide a youth innovation centre for all young people who have ideas but do not have the facility to do it. Had it not been for that programme this particular innovation could not be done. I want to say what has happened to that particular innovation.

Mr. SPEAKER: Honourable Member, you have five minutes.

Hon. S. A. LASHLEY: No problem. I will come back during the Heads to deal with the other matters. This particular innovation was selected from approximately 200 applicants across 19 countries. It was the sole finalist from the Caribbean region and went on to win the award for the best pitch at the Demand Solutions Conference and Venture Night herald in Washington D.C. at the Inter-American Development Bank (IADB) Headquarters and the winning video submission was produced in partnership with the Mirror Image Media and Innovation Lab and a number of partners as well. Mr. Speaker, this is what would propel growth in the Barbados economy and there are many other programmes under that, but I want to touch quickly on the area of sports because the sports programme is also identified as an element that we would be able to generate not only employment opportunities but transform further what we have been able to do in terms of the Barbados economy.

Mr. Speaker, what we have found is that by and large, efforts by Barbadians in relation to using sports as a growth strategy been disorganised across the economy. We want to bring some focus ...

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Hon. S. A. LASHLEY: We want to bring some focus and what we want to do we are working on a National Sports Policy which is currently in draft and it would be discussed by the stakeholders. The intention is to utilise a Sports Policy that will link critical areas of economic activity not only in relation to the career aspects but preparing our athletes for international competition, preparing them also to take advantage of various career paths within the areas of sports and generally reconstructing how we manage our sporting infrastructure to be able to attract international sporting activity which we believe would bring foreign direct inflows into Barbados. That would be the overall template of the new forward thrust in relation to a new National Sports Policy and we are working to finalise that in short order. Mr. Speaker, the draft has already been prepared. Of course, underpinning that will be a proposed Sports Development Bill which will give legislative context to the Sports Development Policy.

In winding up, Mr. Speaker, I want to say that many of our strategies that we are pursuing are linked to supporting the broader economic strategy of how we are going to move the Barbados economy into sustainable growth. It will not get to a sustainable growth position unless we can mobilise the entire Barbadian population into understanding that the dynamics upon which we manage our economy in the year 2016 and beyond have changed.

The global dynamics have changed and it makes no sense for the Opposition to come in here Estimates after Estimates to rehash old data and old issues that do not connect with what is required to take the Barbados forward. We have to spend time in connecting with what is happening in the wide world. When we talk about the fact that some sectors are not growing, manufacturing and so on, all of that dynamic has changed to the point where we have now to look within ourselves and our ability now to become more creative in fashioning a new growth path.

We have set the parameters of that within our Manifesto which the public of Barbados have embraced because it created a vision upon which our economy and our society can be transformed, and therefore, we have a good platform upon which we can further accelerate the space of our growth. Certainly, the naysayers have to accept the fact that we have stabilised the economy. You cannot stabilise an economy without looking at forward thinking policies.

I must say that we have to thank the public of Barbados as well for staying the course with this Government because without their levelheadedness, and I think that levelheadedness would continue, we would not be able to achieve the platform upon which we have today. I think that as a Government we have to register that thanks

to the people of Barbados. Notwithstanding the fact that there is not much innovative ideas coming from the Benches of the Barbados Labour Party and they continue to rehash...

Asides.

Hon. S. A. LASHLEY: They are so divided in relation to destroying one another, and I am not going to stand in the way of that... I heard the most phenomenal thing in this House today where the Leader of the Opposition of the Barbados Labour Party made a claim we are always seeming to attack her based on the fact that she is a female, but the Barbados has taken to task one of their own. I feel that the females on that side should be ashamed to allow for one of their own to be savaged. How then can you come in here in the House and claim that you represent anything to do with the development of females in Barbados? The female Members on the Barbados Labour Party side have failed to rescue that young lady from the ravages of the Leader of the Opposition, and now they come in here and pretend as though they are united party. I am ashamed for the Barbados Labour Party. That is why Mr. Speaker, you cannot hear any progressive policies or any new directions coming from the Barbados Labour Party whether it is the leader or any of the Members.

Mr. SPEAKER: Honourable Member, please wind up.

Hon. S. A. LASHLEY: Mr. Speaker, I want to again say that I support this Appropriation Bill and the Estimates.

I am obliged to you, Mr. Speaker.

Mr. SPEAKER: Yes, Honourable Member.

SUSPENSION

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that the Sitting be suspended until Tuesday, March 15, 2016 at 9.30 a.m.

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

Mr. SPEAKER: Honourable Members, please be reminded that this is a suspension so you need to be here promptly so that we can start at 9.30 a.m. There is no grace period.

The question that the Sitting be now suspended until Tuesday, March 15, 2016 at 9.30 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

: p.m.

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BRATHWAITE, Hon. A.D. (St. Philip South)
CLARKE, Mr. G. A. (St. George North)
HINCKSON, Mr. E.
HINKSON, Mr. E. G. (St. James North)
JONES, Hon. R.D. (Christ Church East Central)
KELLMAN, Hon. D. St.E. (St. Lucy)
LASHLEY, Hon. S. A. (Christ Church West Central)
MOTTLEY, Hon. Miss M. A. (St. Michael North East)
SEALY, Hon. R. L. (St. Michael South Central)
SINCKLER, Hon. C. P. (St. Michael North West)
SINKLER, Hon. C. P.
STUART, Hon. F. J. (St. Michael South)

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Dates in the text. The source gives ‘Tuesday, MARCH 14, 2016’ (14 March 2016 was a Monday). The weekday and date do not agree; printed as in the source.

Q3. Order No. 21, Mr. G. A. Clarke, take-slip House C27A Sequence 47, 7.40 p.m.. The sentence on increasing the votes of the capital works programme to cut back on crime and generate employment appears just before the take-slip and again, slightly reworded, at the start of the next take. The first copy (about 40 words) has been left out. Please confirm.

Q4. Order No. 21, take-slip boundaries. At many take-slips the last sentence of one take is typed again, in slightly different words, at the start of the next (for example on the 2014/2015 revenues, on easing taxes as economic growth returns, and in the speeches of Mr. Hinkson and Mr. Kellman). Where the repeated words share a paragraph with new text they are printed as in the source.

Q5. Take-slips. Four take-slips (or date lines typed as text) read ‘Tuesday, March 14, 2016’; the Sitting was on Monday, 14th March, and the other take-slips say Monday. One take-slip reads ‘10.40 p.m.’ during the Minister’s morning presentation, and several take-slip details (‘House C 27 Seq 4 a.m.’, ‘Seq (23)’, ‘No.C27A (18)’, a lone ‘H’) are typed as paragraphs of the speeches. Printed as in the source.

Q6. Order No. 21, Minister of Finance, take-slip House C27A Sequence 5, 11.04 a.m.. Before the take-slip the increase in capital transfers is given as ‘\$63.5 million or 59.2 per cent to \$117.8 million’; the repeat after it reads ‘\$5 million or 59.2 percent to \$170.8 million’. Printed as in the source.

Q7. Order No. 21, Minister of Finance, revised 2015-2016 figures. Capital expenditure is given as ‘\$400.9 million’ and, a few lines later, ‘\$400 million’; revenue is typed ‘\$2.771.7 billion’ and expenditure ‘\$4.239.2 billion’. Printed as in the source.

Q8. Speech labels. The Minister of Finance is labelled ‘Hon. C. P. SINKLER’ in many places and ‘Hon.

C. P. SINCKLER’ in others; the Member for St. James North is labelled ‘Mr. E. HINCKSON’, ‘Mr. E. G. HINKSON’ and ‘Mr. E. D. HINKSON’. Printed as in the source.

Q9. Opening and Order No. 21 heading. The convening sentence begins ‘met at 10.15 a.m.’ with no opening words, and the Order heading ‘SECOND READING OF THE Appropriation Bill, 2016’ is printed as an ordinary paragraph. Printed as in the source.

Q10. Suspension, end of Sitting. Hon. J. D. E. Boyce moves the suspension until ‘Tuesday, March 15, 2016’, but the closing procedural sentence reads ‘Tuesday, March 15, 206’. Printed as in the source.

Q11. Order No. 21, Hon. Miss M. A. Mottley, closing paragraph. One paragraph near the end of Miss Mottley’s speech begins ‘y only statement to Barbadians’, the first letter apparently missing. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met at 10.15 a.m. on Monday, 14th March, 2016, with Mr. Speaker in the Chair; prayers were taken by Reverend Mark Harewood. The Minutes of the last meeting had not been received and were deferred on the motion of Hon. J. D. E. Boyce, seconded by Hon. F. J. Stuart, and Standing Orders were suspended. The whole Sitting was given to Order No. 21, the second reading of the Appropriation Bill, 2016.

The Minister of Finance, Hon. C. P. Sinckler, the Member for St. Michael North West, presented the Estimates of Revenue and Expenditure for 2016-2017. He spoke of a resurgence of the upscale second-home market, investments such as Sandals, the Hyatt and Sam Lord’s, and stability in foreign reserves, and said that the fiscal deficit, just under 12 per cent of GDP in 2013-2014, had been brought down. For the revised 2015-2016 position he gave revenue of \$2.7717 billion, \$2.570 billion of it tax revenue, and expenditure of \$4.239 billion, with a deficit of 4.2 per cent of GDP; he argued that the \$130 million passed to the Barbados Water Authority from IDB and Canadian CCC loans created assets and could properly be excluded, which would bring the deficit to 3 per cent or below, but that he had left it in. For 2016-2017 he projected current expenditure exclusive of amortisation of \$3 139.5 million and capital expenditure of \$433.3 million, listed projects including the Public Sector Smart Energy Programme and the CAF road rehabilitation project, and spoke of cuts of 5 per cent across ministries. His speech

drew frequent cross-talk with the Opposition. The Sitting was then suspended until 2.30 p.m.

On resumption, with Madam Deputy Speaker in the Chair, Hon. Miss M. A. Mottley called the presentation one of the worst Estimates presentations since Independence and likened the Minister to David Copperfield for changing the measurement of the deficit, a remark she later withdrew. She said that demand savings had fallen from \$3.3 billion in 2007 to \$2.8 billion at the end of 2014 and time deposits from \$2.3 billion to \$1.3 billion, that tourism earned \$2.38 billion in 2007 against \$1.95 billion in 2015, and that international business licence revenue was down \$2 million. The Minister rose on points of order to deny knowledge of a matter she said the Minister of Labour intended to bring to Cabinet, and Mr. Speaker, unable to uphold the point without evidence, said it would be expected that evidence would be produced. She spoke of conditions at the Queen Elizabeth Hospital and of promises made in 2013 on public sector jobs, University fees and State assets.

Hon. R. L. Sealy supported the Estimates, describing the Tourism Master Plan, the decision on hotel room stock at Sam Lord's Castle, and new work on yachting and motor sports tourism. After a further suspension until 6.15 p.m.,

Mr. E. G. Hinkson, the Member for St. James North, called the Estimates unrealistic, pointed to broken promises including the 2008 pledge on University of the West Indies fees, and said that persons with disabilities make up between 5 and 10 per cent of the population.

Hon. D. St.E. Kellman, the Member for St. Lucy, said that \$48.2 million had been spent on rural development in eight years against \$31.8 million earlier, and spoke of commercial lots at Lancaster; on a point of order from Mr. Hinkson, Mr. Speaker ruled that the word 'sidekick' should be withdrawn. Mr. G. A. Clarke, the Member for St. George North, in his 22nd Estimates debate, was interrupted by repeated points of order from Mr. Kellman over a light he had requested at Locust Hall; he argued that the capital works programme of about \$433 million, less than 10 per cent of revenue, should be increased. Hon. S. A. Lashley, the Member for Christ Church West Central, supported the Bill and spoke of the National Youth Policy and a National Sports Policy.

On the motion of Mr. Boyce, seconded by Hon. A. D. Brathwaite, the Sitting was suspended until Tuesday, 15th March, 2016 at 9.30 a.m., Mr. Speaker reminding Members that there would be no grace period.