
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2013 – 2018

HOUSE OF ASSEMBLY

Tuesday, July 11, 2017

Pursuant to the adjournment, the House of Assembly met at 10.00 a.m. on Tuesday, July 11, 2017.

PRESENT

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

Mr. J. D. PAUL, B.Sc. (Chairman of Committees)
Dr. the Hon. D. S. LOWE, Dip. Theology, B.A., M.Ed., Ed.D. (Minister of Environment and Drainage)
Hon. A. D. BRATHWAITE, LL.B. (Hons.) (Attorney General and Minister of Home Affairs)
Hon. S. A. LASHLEY, B.Sc., LL.B. (Hons.), L.E.C. (Minister of Culture, Sports and Youth)
Hon. D. O'N. INNISS, Dip., B.Sc., M.B.A. (Minister of Industry, International Business, Commerce and Small Business Development)
Hon. C. P. SINCKLER, B.A., M.Sc. (Minister of Finance and Economic Affairs)
Mr. T. A. PRESCOD, B.A.
Mr. K. D. SYMMONDS, B.A., LL.B.
Lt. Col. J. D. BOSTIC, MVO, B.A. (Hons.)
Mr. E. G. HINKSON, LL.B (Hons.) L.E.C., LL.M.
Dr. M. M. AGARD, J.P., B.Sc., M.Sc., D.D.S.
Mr. D. G. SUTHERLAND, B.Sc., M.Sc., M.B.A. (Dist.)
Miss S. J. O. BRADSHAW, LL.B. (Hons.)
Prayers were taken by Father Reverend Mark Harewood.

Mr. SPEAKER: Good morning Honourable Members, this Sitting of the House is now in session.

MINUTES

Mr. SPEAKER: Honourable Members I have with me the Minutes of the Meeting held on Tuesday, 14th June, 2017.

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that the Minutes for the Honourable the House of Assembly for its Meeting of Tuesday, 14th June, 2017, be confirmed subject to any omissions, corrections and/or observations.

Mr. J. D. PAUL: I beg to second that, Sir.

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: Honourable Members I have with me a letter the contents of which will reveal its relevance. It is received from the previous Governor-General of Barbados, Sir Elliot Belgrave.

“Dear Mr. Speaker,

I have the honour to inform the Honourable the House of Assembly that with the approval of Her Majesty the Queen I shall demit the Office of Governor-General on retirement on 30th June, 2017.

In accordance with the provisions of Section 29(1)A of the Constitution, Sir Philip Marlo Greaves, K.A., Q.C., will perform the functions of the office as Acting Governor-General.

As the Honourable the House of Assembly will not be meeting prior to my demitting office, it will not be possible for the usual formal message to be sent down to your Chamber. Will you therefore please bring my retirement to the attention of the Honourable the House of Assembly when next it meets?

I have the honour to be,

Yours faithfully,

Elliot Fitzroy Belgrave

Governor-General”

Secondly, Honourable Members, I am been requested to inform the House of Assembly of the absence of the Honourable Member for St. Peter from the Chamber today due to illness and, of course, we wish him a speedy recovery.

It is also my pleasure to welcome with us today the members of the in service trainees from the law programme attached to the Attorney General Chambers, I understand, and of course, it is also a pleasure to notice among them our own Ms. Lisa Sombra who is on leave from our service here and I suppose that suggests that she will be leaving us. Welcome and I hope you find the experience rewarding.

PAPERS

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

Hon. F. J. STUART: Mr. Speaker, I am commanded to lay:

(1) the Registration Department Reports on Vital Statistics and Registrations 2014 and 2015, and

(2) the Police Complaints Authority Annual Report 2016.

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

Hon. C. P. SINCKLER: Mr. Speaker, I am commanded to lay:

(1) the Loan Contract Number 3843/OCBA between the Government of Barbados and the InterAmerican Development Bank, deployment of cleaner fuels and renewable energies in Barbados at June 14, 2017, and

(2) the Annual Report and Financial Statements of the Accountant General for the financial year 2015/2016.

GOVERNMENT NOTICES

FIRST READING OF BILLS

On the motion of Hon. J. D. E. BOYCE, seconded by the Mr. J. D. PAUL, the following Bills were read a first time:

(1) National Assistance Bill, 2017, and

(2) National Assistance Miscellaneous Provisions Bill, 2017.

ORDERS OF THE DAY

SUSPENSION OF STANDINGS 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 remainder of this day's Sitting.

Mr. J. D. PAUL: I beg to second that, Sir.

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

House D 14 Seq 1 10.32 a.m.

GOVERNMENT BUSINESS

ORDER No. 17

NATIONAL INSURANCE AND

SOCIAL SECURITY (AMENDMENT) BILL, 2017

Mr. SPEAKER: Thank you very much, Mr. Speaker. The matter before the House relative to this Bill is a relatively simple amendment to the existing Act to facilitate the National Insurance Department, the National Insurance Board of the Fund and the Scheme in putting in place the requisite legal requirements for the actions which were taken by the Fund's managers to permit delinquent contributors the space to make good on their payments to the NIS relative to the principle payments that were outstanding by way of a waiver programme for the interests and penalties which became attached to those outstanding contributions.

You will recall, Sir, as would Members of the Honourable Chamber that in the Financial Statement and Budgetary Proposals last year Government took the opportunity to extend once again, because we have done it, I believe this is probably the fourth occasion, but I speak subject to correction, certainly no less than three occasions on which this Administration, since coming to office in 2008, given the difficult economic circumstances globally and regionally and, of course, here in Barbados to assist businesses and individuals who would have fallen behind in their statutory obligations relative to various forms of taxation and or levies which are the standing liabilities for whatever spear of endeavour those persons operating in to give them the opportunity to get their principle payments, at least, up-to-date and in a condition that would both allow for the Government, Central Government in the case that I am speaking about, to get in those revenues which are outstanding and which have been outstanding some of them for many, many years, decades even, but also allow the individuals and the companies to be able to kind of reset their condition, and to not have hanging over their operations large amounts which are owed to the State as statutory liabilities for the operations which they would have undertaken over the years. We see it, and this is not often said in the parlance, a win-win situation between Government getting in some of the principle revenue that is owed, individuals and companies having the opportunity to kind of clear the debt, reset their operations and give them a ease in terms of their cash flows and allow them to do other things in the society including conduct business with Government since or certainly previous to this Administration it was a rule that if you owed statutory liabilities that you could very well be stopped or I should say prevented from engaging Government contracts or being awarded Government contracts on the basis that you were in non-compliance form with those liabilities. We took the opportunity during that Budget to have another amnesty, as it is called, knowing full well that even though you make provision for such there are many people who do not necessarily take advantage of those amnesties but they

are those in the society who want to be in compliance, who want to be up-to-date and who would prefer, let me put it this way, Mr. Speaker, to now have those types of situations hanging over their businesses and over their individual characters. Whilst the compliance rate or participation rate in previous years have been less than stellar we noted with much interest that last year's amnesty actually outdid even our very conservative estimations. We had estimated about \$25 million and we ended up getting almost \$40 million and that was just a provisional figure because when the amnesty came to an end there were still people who had not been process or had their processing completed because some people had back filings or liabilities going back so many years that it took a period of time to be able to bring them up-to-date and so, depending on when they came in or when they went to a financial institution to get a loan that loan was not necessarily processed in time for when the deadlines came and passed but since it had come in and entered the programme and were being processed the Barbados Revenue Authority, that is, was still continuing to provide them with access to the programme. The final numbers are not yet known but certainly up to May we had seen a reasonable amount of participation to the value amount of almost \$40 million. We thought that was useful. After the Government announced its programme and as you would note, Mr. Speaker, if I could stick a pin there, we actually in this year's Financial Statement and Budgetary Proposals extended the amnesty for an additional six months to give all of those who said they wanted to get in but could not get in and so forth, the opportunity so they have an addition six months. After Central Government had announced it was doing this we did not, as in previous years, include the National Insurance Scheme in that announcement. I think in a previous WIT Programme we had, and I know certainly as Minister of Finance, I get on almost a weekly basis, I should say a monthly basis; every few weeks, I get requests from business people and companies which have fallen in abeyance of their liabilities or of statutory responsibilities for me to utilise my powers under Section 67B to give waivers for individual companies for National Insurance. That is not new. That has happened and it has not just happened to me, it has happened to other Ministers of Finance and I am sure with an increasing level of intervention, but we did not include the National Insurance Scheme in this last exercise from the Government's end but the NIS indicated subsequent to our announcement that they would like to have an amnesty as well. Their Board, I believe in October or just prior to October last year, had approved a request from management for such a facility to be put in place and to have them petition me as Minister of Finance first to approve such a request and then have such passed to Cabinet for Cabinet's final approval. The request came in, I saw no reason why we should object to it and we did not. We approved the request and notified the NIS and as such it then notified its parent ministry to have the relevant ...

House D 14 Seq 2 10.42 a.m.

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Tuesday, JULY 11, 2017

Seq. 4

Hon. C.P. SINCKLER: ... Those are issues that feature whenever there are discussions of social security things. Mr. Speaker, I want to make the point that by any yardstick of measure, by any series of analyses or even by any casual glance, however uninformed or informed it might very well be, we have a substantial social security scheme in Barbados which, based on both previous and current actuarial review, is a viable scheme. I want to repeat that point, Mr. Speaker: By any yardstick of measure. These funds go through issues from time to time, some of which I will speak about. Based on the current numbers, one may take the 13th, the 14th and the one now, which is currently in train, concluded and ready to be published. Even though it is not my job -- I am not Minister of Social Security and certainly I am not going to pre-empt the National Insurance Scheme (NIS) -- I believe that in a few weeks' time or some time soon they are going to hold a Press conference to release the 15th actuarial review. Of course, as Minister of Finance I would get a peep at it. I would get a little peep at it. They may send it to me and I may see.

Aside.

Hon. C.P. SINCKLER: Just a peep, but based on whichever one you choose to look at, yes, there are issues confronting the Fund as is the case with all social security schemes. The story across-the-board is that the Fund is viable, the Fund can continue to meet its obligations and commitments well into the future, the Fund is not broke, nor has it run out of money, nor is it about to close down and leave pensioners in the lurch. That is not true. It cannot be sustained by the numbers, and therefore it is certainly not a discussion -- even though I think it is still going to happen, and it will probably happen in this debate too -- that brooks a panicked response relative to what is happening with the National Insurance and Social Security Scheme.

Mr. Speaker, I use the word "substantial". The reason why I say that is because when one looks at the history of this Fund, it was only six short years after the Democratic Labour Party won office in 1961 for the first time to form a Government -- six short years by 1967 -- that the National Insurance Scheme was created. Yes, it was June 1967. I believe it was June 6, if my memory serves me correctly. I am speaking from memory, but in any case it was in 1967 that we first had the Social Security Scheme being developed.

Aside.

Hon. C.P. SINCKLER: Yes, it was the first in the region and one of the first in the world in that way. Mr. Speaker, at the end of 1967 the National Insurance Fund, as we call it, the NIS, had two-and-a-half million dollars of reserves in its kitty; in its bank accounts or as investments or as a combination of both. It was two-and-a-half million dollars. It actually was \$2.4 million and change, so we round it off at \$2.5 million. At the end of 2016....

Aside.

Hon. C.P. SINCKLER: It was \$2.4 million. By the end of 2016, the NIS reserve, what we call the wealth of the Fund, was registered at around \$4.7 billion.

Asides.

Hon. C.P. SINCKLER: It was \$4.7 billion, and this is the period for which the last 15th actuarial review was being done. The actuarial review is actually done on the previous three years. It is done every three years, so it is done on the previous three years, so the 15th review will take us up to 2014 but it was being done during the period of December 2016. It would look at the previous three years, but then it would factor in, of course, what the current financials of the Fund are. Certainly up to the end of 2016 the NIS had \$4.7 billion in assets; liquid and fixed assets and investments anywhere around the world. That is a substantial amount of money. In fact, Mr. Speaker, it is so substantial that it is perhaps the single largest financial institution in Barbados, by far.

Aside.

Hon. C.P. SINCKLER: It speaks to a number of things. First....

Asides.

Hon. C.P. SINCKLER: No, this is a serious debate and the levity is understandable but this is a serious debate.

Aside.

Hon. C.P. SINCKLER: It says a number of things. For one, as a society and economy we have grown tremendously. I mean we are talking about an economy that is now measured at somewhere around \$9 billion relative to its Gross Domestic Product (GDP). You are talking about a working population that has gone above 100 000 persons. You are talking about investments across public and private sectors that have expanded exponentially on the demands of a growing and more sophisticated population in relation to what is happening with the Barbados economy, which has diversified itself from just sugar cane into tourism and

business and financial services, into some light manufacturing, and now alternative energy, and latterly coming along the cultural industries and other areas. You are talking about an entirely different and transformed economy and society from what you would have seen in 1967 when this Fund was created. Even for the Fund itself, you have seen that growth because, for example, back in those days you were talking about just thousands of contributors; just a few thousand contributors to the Fund. In this day and age, we are now talking about tens of thousands of contributors to the NIS.

Mr. Speaker, for those who are taking notes, for example in 1967 short-term contribution income was \$2.7 million. By 2000, that had risen to \$300 million.

11.02 a.m.

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Hon. C. P. SINKLER: Mr. Speaker, I saw no reason we should have objected to it, we did not, we approved the request and notified the National Insurance Scheme as such, which then notified its parent ministry to have the relevant Cabinet Papers prepared and those were done, and so in November, I believe it was if my memory served me correctly, approval was given for the National Insurance Scheme to engage in a programme.... Mr. Speaker, it was actually October 10th, to be more specific, to engage a programme to give an interest waiver to be granted to employers and self-employed persons who are indebted to the National Insurance Scheme.

Mr. Speaker, the terms and conditions of that programme were as follows:

(1) That the interest waiver would be a facility granted, as I said before, to employers and self-employed persons who are indebted to the Scheme;

(2) That the duration of the programme should be five months, commencing October 1, 2016 to March 1, 2017;

(3) That to be granted 100 per cent waiver of the interest, employers and self-employed persons must liquidate 100 per cent of the contribution arrears owed to the National Insurance Fund by March 1, 2017;

(4) That the waiver is to be applied to interest accrued up to March 15, 2017;

(5) That payment can be submitted in one lump sum, or via multiple periods within the five-month's period that the amnesty was lived;

(6) That all interest accrued on outstanding contributions as at March 15, 2017, would be waived, provided that the contribution arrears are liquidated in full at least by March 1, 2017.

Mr. Speaker, that was the basis upon which that programme was done. Mr. Speaker, even though in the context of general central Government legislation or statutory requirements, under Cap.67(B) the Minister of Finance and Economic Affairs is given the authority to waive any tax, duty, or levy so such imposed by the Government for whatever purposes is determined appropriate under the circumstances. The National Insurance Scheme Act specifically requires that an interest is applied to nonpayment of contributions which are owed to the Fund or for which an indebtedness is incurred to the Fund and by way of legal authority, since this specific Act falls outside of the ambit generally of Cap. 67(B), it is and has always been considered a wiser choice that the specific parent Act which gives rise to the particular contribution, in this case the National Insurance contributions and not a tax, even though in the United States of America you would hear people describing it variedly as a payroll tax and not as a deduction, but for whatever it is worth it is a payroll imposition in any case, that the Social Security Act should be amended to ensure that you validated and legalise the action that is taken to permit for the waiver. Mr. Speaker, I am awaiting the specific figure, if I can get that from the relevant department, but my understanding is that this programme has done so well that it is entirely possible... In fact, I believe they have written already, the National Insurance Department was so happy with what transpired, in terms of getting in those contributions from delinquent contributors, that they are going to asked for this programme to be extended for a further period, just as central Government has extended its own waiver programme. Mr. Speaker, for that we want to thank those persons who would have put whatever arrangements they had to put in place, for example, some of who had to get money from under the bed or wherever it was held; some of whom had to go to financial institutions and take out loans, whatever they had to do, of course, we want to express our appreciation to them and to the National Insurance Scheme as well for facilitating, so that at least those basic contributions which are the contributions of workers and employers contributions to getting those in. Mr. Speaker, having said that, we then decided, of course, through a series of exchanges with our Office of the Chief Parliamentary Counsel that we would take the opportunity to come to Parliament and to have an amendment to the National Insurance and Social Security Act of Barbados, Cap. 47, to facilitate permanently or to validate but to have legalised the actions of the National Insurance Scheme management and its Board to have this facility made available, as it was, from October to the end of March this calendar year, so that they could make good on their payments, so that the amendment itself... Asides.

Hon. C. P. SINKLER: This is one of these useful... Yes, bringing it in line with the law, because the Act does not provide for any such thing and therefore we have had to do this, so that, Mr. Speaker, Sir, you would see that it is an extremely short Bill with only two clauses, Clauses 1 and 2, but the more important clause, of course, is Clause 2 which speaks of an insertion in Section 18B.3 into Cap. 47 that should read as follows: "Waiver of 100 per cent interest of contributions: 18B.3.(1) Where there was payable by an employer or self-employed persons before or during the specified payment period, arrears of contributions and outstanding interest on those arrears, 100 per cent of the interest accrued up to 15th March, 2017, is waived if the arrears of contributions are paid in full on or before 1st March, 2017." (2) In this section, "specified payment period" means [of course, the payment period of the life of the amnesty] the period from 1st October, 2016, to 1st March, 2017."

Mr. Speaker, that basically represents what this Bill is about. Now, while it would be nice for me to take my seat immediately after doing such a quick Bill, it would be remiss of me, at least as the Minister of Finance and Economic Affairs and the person introducing the Bill, to not say a bit about the National Insurance Scheme because the National Insurance Scheme is something that is invariably on everybody's lips -- how the Fund is doing, what the Fund is doing, how much the Fund is investing in Government, will people get their benefits when they retired, how much money are we contributing in relation to the inflows that are coming, vis-à-vis, the outflows for expenditures, issues about the Fund's viability, its long term. Mr. Speaker, those are issues that feature whenever there are discussions about social security schemes.

11.55 a.m.

Sir, by 2000, that had risen to \$300 million and by end of 2016, it had risen to \$527 million. Sir, that is contribution income alone.

Mr. Speaker, Sir, if we look at investment income for example, in 1967 the Fund was receiving \$24 905 in investment income by 2000 it was receiving \$87 million in investment income but by the end of 2016, it was receiving \$289.6 million in investment income. Sir, these are impressive figures. This is how huge this Fund has become, use in Barbadians terms according to other social security Schemes, this is small but in our terms this is substantial amounts of resources that the fund is now receiving.

Mr. Speaker, if you are talking about short term claims received, there were 373 claims in 1967 and by 2000 that had risen to 75 956 claims and by the end of 2016, short term claims which is when people get ill and get a few days from the doctor home and they put in a claim had risen to 63 391 claims being placed on the fund.

Sickness benefits paid: in 1966 was 48 727 and by 2000 that had risen to \$19.8 million and by end of 2016 to \$24.2 million. Sir, total benefits paid, all the benefits in the various funds, the Unemployment Fund, the Severance Payment Fund, the Funeral Grant, all these things that the fund pays, in 1967 there were \$49 227 paid in overall benefits, what we call total benefits and, Sir, by the year 2000 that had risen to 238.8 million of benefit and by the end of 2016, BDS\$637.8 million in total benefits.

Mr. Speaker, if you look at what the end of year 2016 would have been showing, the National Insurance Scheme would have been paying out close to more than half a billion dollars in total benefit. These are not insignificant numbers by any stretch of the imagination. When you look at the gross of pensioners, just to cap off this point on the numbers, in 2000, there were 33 539 pensioners and by the end of December 2016, 42 000 pensioners in the Scheme. These are significant numbers and speak to a fund which has grown exponentially on the expansion of the Barbados economy, the diversification of the Barbados economy, the growth of the population, both the working population and the natural population of the country to be able to give us a fund that today, as I have said, is so capitalized to the extent of its assets, its reserves to the tune of \$4.7 billion. Therefore, I think it is a tribute to all those persons who would have had the foresight to put in place a seminal socio-economic and even cultural institution such as a Social Security Scheme so styled the National Insurance Scheme and the National Insurance Fund and whatever else designations we call it but certainly, to put in place a National Insurance and Social Security Act to give birth to this institution as a central financial and economic pillar in the Barbadian society.

Mr. Speaker, people are judged and institutions are judged by their contributions, by their characteristics, by their focus and if one can lay any accusation at the feet of the Democratic Labour Party successfully it must be that where it matters most in relation to the development of this society, to the transformation of the economy, to the securitization of workers, to the advancement of the social sector in Barbados then we have to plea guilty, stand accused and plea guilty that the Democratic Labour Party founding fathers had the foresight to put in place a National Insurance Scheme.

Mr. Speaker, this comes out of period of decolonization, a period of transformation of our society dating as far back as the 1930s and 1940s where the first discussions under the rubric of the then Fabian socialists movement in Europe would have then transpose themselves in the popular discourse of Barbadian societies in the 1940s and 1950s leading to even more informed and transformed thought about how society should organise itself and where we should place investment in human capital as you come into the more social democratic

offerings of people such as Professor Laskie and others who would have written so extensively on the need in a mixed economy for a strong social sector to under-girth the necessities of private investment and wealth creation in our societies. The pillar of having a workers' fund, of having an institution which could support not just for future sustained deferred earnings of workers but to sustain their development now, while they are working to securitise them against the perils of illness and misfortunes in real time but to use their own resources to invest in their development and their country's development to securitise them for deferred or future earnings is the bedrock, the foundation on which this entire exercise of what we call a Social Security Scheme and a National Insurance Scheme is built.

Mr. Speaker, I do not want to make the point or give the impression that Barbados is the only place in the world that has this kind of thought because that is not true, not by any stretch of the imagination. Sir, other countries and regions around the world had similar ideas and had those ideas contested as to the best way in which you can securitise your workers, increase their level of capacity to contribute and then use that contribution to develop the society.

Sequence 5

This has been going on for a number of years and had been going on for a number of years and indeed our own NIS is the result of several studies which would have been done, not just on Barbados but on entire Commonwealth countries as well. If you do the research you would see that is where a lot of this really began to crystallise itself, but the fact that our founding fathers had the foresight and the political will to not just think of these things but to act in concert with each other and with the private sector in Barbados and with the labour movement, young and embryonic as it was in developing and in the context of a political structure that was still finding itself in a post-colonial society because as you would know and as I indicated, the fund was started in 1967. Barbados had gotten independence less than a year before in 1966 so you were still in a period of uncertainty and even upheaval in the postcolonial decolonisation process. We were operating in an environment, of course, where we were beginning to see the emergence of the Cold War between the powers globally on east and west and the polemic debate between socialism and capitalism and all of these, the polemics of the entire era. I think it should be placed on record that the people how had the responsibility in terms of the political directoric and in terms of the administrative directoric in Government along with their partners in the private sector and the unions and elsewhere, they should really be given and take a bow for having the foresight and having the fortitude to be able to put a fund of this nature in place. It shows that even in spite of uncertainty, even in the face of

challenges, even where massive resources are not necessarily available at the time, that wise choices determine leadership and the will to be able to pull people together to achieve a common goal are important attributes that would allow a country to progress and this is what we ended up having, a National Insurance and Social Security Scheme that has done reasonably well. In fact, I should pull that back, that has done substantially well in relation to what we have seen over the years. I want to place on record my own appreciation for the contribution of successive administrations under the Barbados Labour Party (BLP) and under the Democratic Labour Party (DLP) leadership for ensuring that the National Insurance Fund has remained as viable as it is and that those persons who have led the charge by way of either being directors of the Fund or chairmen and directors of the Board, and when I say directors I mean the executive management and then, of course, chairmen and directors of the Board and we have had some substantial people who have held those positions from the first director, Mr. E. Humphrey Walcott which the building is now name after there at the NIS Complex in Culloden Road, through to people such as Mr. William Layne the former Permanent Secretary in the Ministry of Finance, the former Director of Finance, Mr. Grantley Smith, of course, Mr. Ian Carrington who is there now. All of these people have made their contributions and have made them substantially and in great measure to the fund and, of course, by way of Chairmanship people such as Sir Richard Cheltenham, Sir Henry Forde, Sir Frank Alleyne and the current Chairman Mr. Justin Robinson, these people have ensured that the Fund has been kept stable and has done very, very well under their particular leadership. I think when we look at what we have before us, Mr. Speaker, is a Fund that is every well capitalised, that even in spite of the challenging economic times continues to meet its actuarial requirements, and I will speak about that very shortly, but that is not devoid of challenges. I think the point ought to be made that social security schemes have over time all over the world, had issues that have plaque those funds or issues that the Fund managers have to keep their eyes very, very closely on. Only recently the InterAmerican Development Bank as has been the case with the International Monetary Fund (IMF) in its Article IV Consultation Reviews that it has done -- have expressed concerned about the long term viability of the Fund or issues relative to the Fund and these are legitimate concerns because one gets the impressions that there is this view that once people say things about social security schemes that they are trying to be alarmist and so on and so forth. I do not take them as such. I take them as legitimate observations, not necessarily even as criticisms, take them as observations as to things that may stand out that could be potentially difficult in terms of challenges long term going forward. That is why I said at the beginning of my presentation that I can say based on the information I have seen both in the 14th Actuarial Review and now in the drafted 15th Actuarial Review that the National Insurance

Scheme and social security Scheme is set and is viable and continue to provide for its pensioners.

Some of the issues that have been raised in some of these. The IDB study was not specifically on Barbados, it was on the Caribbean but it spoke of Barbados because we are a member of the Caribbean Community, are the issues of long term futuristic viability of social security schemes, Barbados's scheme included relative to the demographic changes which are occurring in several of our countries. As you know, Mr. Speaker, it is not now a debated fact, it is an accepted reality that our societies are becoming more sophisticated in a number of areas and in particular, especially in the area of medicine and by extension within that school of practice gerontological interventions and because people have more knowledge and more access, we have our citizens and we should celebrate this living much longer than when, even when I was a boy or when you were a boy, which is much longer than when I was a boy, but our societies are better. Life can be prolonged even where illness occurs for much longer than it was in the past so our life expectancy rates have now increased to go past 70 and going up into the high 70s and 80s even, across the Caribbean and certainly here in Barbados. With these demographic changes, that is, we are having people living longer we also have on the other end of the spectrum, as the Minister of Education ever so often reminds, we are having less children. In other words, the birth rate per 1 000 head of population has reduced.

Asides.

House D 14 Seq 6 11.21 a.m.

Maybe it is the way the Minister puts it over but it is a very serious point because you are having at one end of the spectrum, people are living longer therefore you have more elderly people to look after including pensioners who have to draw on the Scheme, for example, but on the other end but on the other end the contribution coming in by way of birth rates is not as it ought to be, therefore you have the phenomenon of what we call the aged population. Japan, for example, is a country that suffers from that particular problem in a very, very, very acute way, but it is something we have seen across developed countries in the world. In the UK and Europe, in the United States of America (USA), in Canada and it has made its way down to those developing countries that have done well enough to be able to improve their systems both of medicine, social, gerontological and so forth, to be able to have people living longer and being more active even, as they age. If on the opposite end of the spectrum, we are not getting as many births as we require and in the middle where people are of working age, you are having a situation where your economy is not growing at a rate and a pace fast enough to create the number of jobs required to be able to ensure that the current contributions from those who are working can

support the current expenditures from those who are not working, then in a social secure scheme such as the one we have in Barbados and is to be found in many other parts of the world serious challenges will abound. This is just a plain fact and realist. We cannot get around this, it is just the way it is. Since that is the case and you know that is a reality, you then look at the other factors and challenges which are confronting the social securities. You have a demography problem so you mark that out on your chart, demographic issues, if we continue like this -- and this is what the actuaries do -- it is likely, if changes are not made to the scheme there will come a time where your contribution rates will fall so far below your expenditures that are to be put out to service those persons who have retired that the Fund will eventually run out of money. You then look at your growth and your economy because you cannot add jobs in an economy if it is not growing so this is a substantial issue and the rate of growth of an economy and all those other variables, wage rate, growth, inflation and so forth, all of these things determine what is the level of contribution income the social security scheme can reasonable expect over a period of time and remember that social security schemes are designed in a way that you pay or invest now to meet the future demand. It is not a now for now situation. The now for now situation can be taken care of because you can make some adjustments and you will be able, as we have done in the past, to meet your commitments then. The issue is, will you be able to make those commitments 20, 30, 40 or 50 years down the road when the next serious batch of people begin to retire. It is short term income for current investment for long term viability, that is how a social security scheme is designed and that is the only way it can be designed so a social security scheme should really be looking for longer term investments rather than shorter term investment because the shorter terms investments but may give you quick money but they are over because they are short term. The longer term investments help you better because you can plan and say 10 years from now I expect to be able to be able to rake in X or Y amount from whatever investment and I know I am secured there but if you do it just only short term and that is over in the next five year what is going to happen to the people who are coming out in 15 years. You have to ensure that your investment profile is on that page so you look at the growth of your economy and you say, over the next 10 to 15 years how much do I expect this economy to grow to be able to contribute to those things such as creating jobs, increasing contributions because you have created the jobs of people and also the type of investments which you have. Growing the economy, I think, other than the demographics issues is one, if not the greatest is one of the greatest challenges and issues that confront the Social Security Schemes.

The third point of challenge is the issue of the types of investments because you remember I said you invest now for long term in relation to social security schemes by

way of their defined benefit system and how it is designed. The issue then percolates its way to the point of the types of investments that social security schemes require.

In Barbados, there has been this debate that has been going on about our NIS and its investments in Government. There is a school of thought, in fact, it is ingrained in practice, let me put it that way, by way of what we call the actuarial science and social security schemes that a social security scheme -- and I agree with it -- should try as much as possible to have a diversified investment portfolio or as diversified an investment portfolio as it can reasonably have and expect and support. I do not think anybody could fight against that and the reason why I say that is because we have always been told in local parlance whether here or elsewhere, "you should not put all your eggs in one basket". You should try to find ways to spread your risk over different types of investments. That is standard investment practice in the investment community. You have an investment manager, unless you have a spell binding asset in which you want to invest that can never go wrong or will always produce huge profits for you or returns on your investment, the investment manager will tell you put 50 per cent here, put 20 per cent there, put 10 per cent there and so forth so that if anything goes wrong, you are ensuring that you do not take too much of a hit because you have loaded up everything in one place. That is standard investment practice and portfolio management and social security schemes because of the sensitivity of what it is doing because it is pension funds, naturally would be given that advice by any fund manager or actuary reviewer or any other institution which is looking at it. The NIS in Barbados as has been the case with social security schemes all over the world have been told by practice that they should try not to invest in any one area or any one asset or any one whatever the term is, whether it is Government, whether it is private sector, whether it is bonds, whether it is hotel sector, whatever it is, you should not over invest or that you should invest no more than 50 per cent.

House D 14 Seq 7 11.31 a.m.

Insert s8 prince

Tuesday, July 11, 2017

Hon. C. P. SINKLER: Mr. Speaker, I believe that the actuarial analysis for Barbados' National Insurance Scheme is 54 per cent, that is the standard book practice for a social security scheme, just as they tell you for debt to Gross Domestic Product that there is this standard debt to Gross Domestic Product ratio that you should have of no more of 60 or 70 per cent of Gross Domestic Product for any country. Mr. Speaker, that sounds good and if it can be achieved in the context of what you are dealing with, then that would be great. The issue, though, is that even

prudential best practice has to be taken within the context of the environment and the structure of what you are dealing with, so that there is a debate that has grown up in Barbados and in other parts of the world that when social security schemes have been investing, as they have been across the world, so heavily in Government that is holding Government Papers, Government Bonds, Treasury Bills, Treasury Notes or investment in statutory corporations by way of loans and so forth and so on, that anything that goes above 50 per cent is considered to be dangerous and should not be permitted.

Mr. Speaker, a lot of commentators, some of whom are my colleagues in here as well, have latched onto this view and have sent it abroad as something which, if breached, is considered to be a cardinal sin and that it immediately puts in jeopardy the National Insurance Scheme and the Social Security Scheme. I must tell you, Mr. Speaker, Sir, I do not necessarily share that view, I have said so before and I do not intend to go over it too much today but I believe it requires for me to say that historically across all Administrations, the National Insurance Scheme has been investing in Government anywhere between 63 per cent and 75 per cent. Mr. Speaker, this is a fact.

Mr. Speaker, one may ask why the National Insurance Scheme is investing so heavily in Government. As I said before, a social security scheme cannot just rely on its current contributions to securitise its future payments. In other words, you cannot expect, unless you have full employment, and everybody is getting a super salary, that you are going to only exist on contributions being paid in on either a biweekly or monthly basis by those working in the population and that that will ensure and securitise you for the next 50, 60 or 70 years. It cannot do that. The social security scheme needs to find appropriate investments into which it can place some of that income which it is getting in terms of contributions, so that it can accumulate wealth by way of reserves, so that at a future long-term date by actuarial assessment and manipulation -- and I mean manipulation in a positive way -- it is able to meet its commitments down the road for those who are working now, because you work now and apart from your claim for sickness benefit, the deduction which is made from your salary is really to securitise you when you retire at ages 66 or 67, whenever that is, so that if you are a 21-year-old worker the benefit of your contribution is not going to be felt now, unless you get sick or unless as a lady you go on maternity benefit, that is a short-term benefit, the long-term benefit is when you retire at age 66 or 67. Therefore the Fund has to locate, analyse and see where it can invest its money.

Mr. Speaker, the reason I gave these figures earlier about what we are talking about with the National Insurance Scheme, between 1967 and as you would recall,

from 2000, then from 2000 to 2016, and the growth of the National Insurance Scheme, was not because I wanted to give the figures, even though that is helpful, but to come to this point that I am going to make in terms of the demonstrated necessity of analysing the existing investment environment for the Fund, to see why we are where we are at presently.

Mr. Speaker, Barbados is a relatively small economy, actually, Barbados is a very small economy with a Gross Domestic Product of just about \$9 billion. Government has an expenditure budget of \$4.5 billion and a revenue budget of \$2.93 billion. We usually have a total deficit of around \$1.4 billion to \$1.5 billion. Our private sector in Barbados in terms of private investments are limited, our single largest sector is the tourism sector. Mr. Speaker, anybody who understands the tourism sector knows that the margins of return on investment in tourism, regardless to whether it is accommodation or direct tourism services, are not substantial. In fact, if you speak to hoteliers and other people operating in the tourism sector, they will tell you that the rate of return is marginal and therefore the investment is not significant.

Mr. Speaker, since the economy is not so diversified in sectors as to allow for a substantial other area, because the next substantial economic sector is Barbados is International Business and Financial Services Sector which are covered by banks, offshore companies, mutual funds and so forth and so on. In fact, the National Insurance Scheme invariably is part of the Financial Services Sector. You have a decline in the sugar industry, you have an embryonic alternative energy sector, you have a small manufacturing sector, and agriculture contributes only about 4 per cent or 5 per cent to the national Gross Domestic Product, so that when people say that the social security scheme should find things to invest in...

Asides.

Hon. C. P. SINKLER: Mr. Speaker, when people say that a social security scheme should find things to invest in and not to invest in Government, diversify its portfolio, if you are at 75 per cent invest it, that is too high. I take that as an argument. As I said, I do not necessarily agree entirely with it because I believe that environment must be analyse but let us take it for argument's sake, it is too high, so that you say to your fund manager at the National Insurance Scheme to come up with a list of sectors or investments in which we can invest \$4.7 billion in Barbados, that we have \$4.7 billion in reserves, let me cash out some of this money and find some things in which to invest.

11.52 a.m.

Give me a list, and I want to see the fund manager who can come to me and to the Government and say, as a Chairman of the Board or Board of Directors, "This is the list of areas I feel you should invest in." Do not just tell me the areas you think we should invest in. Tell me what the financial return is going to be on that investment, because by prudential and actuarial analyses it is commonly thought that....

Aside.

Hon. C.P. SINCKLER: I have to put the argument. It is commonly thought that a social security scheme should have what we call a 0.5 or at least a five per cent return on its investment. I know that the 14th actuarial review of the NIS said that the NIS should have at least a three per cent return on its investment above the rate of inflation; so if the rate of inflation averages two per cent, then you should have, again, the same five per cent. They are saying now, "Tell me which of those sectors in Barbados, which business activity, which area are you going to invest these funds in that is going to give you that return on a long-term basis to ensure that you can securitise those to whom you have liabilities and responsibilities in the future?" That is all I say in a debate of that nature. I do not dismiss it out of hand. I am saying, "Let us consider it, but tell me what you are going to do." The fund manager, I am sure, is going to come back and tell me, "Minister, I can find some areas but I do not think I can guarantee you that return." Perhaps we should consider investing some of these resources outside of Barbados, where there is a bigger field and pool of areas from which you can choose to get that investment. It is a good idea. Actually, it is a very good idea. I see the Member for St. Lucy looking at me in horror, but I agree with it; it is a good idea.

Mr. Speaker, let us say that the fund manager presents to me a number of investments. Of course, you know it is a pension fund so you do not go putting it in speculative investments. You look for the safest and most conservative areas which you would invest in. You are going to look at treasuries; at Government paper. That is the first thing you are going to look at. Whether it is federal or municipal Government paper, you are going to look at Government paper in another country. Yes? You are going to look at maybe other schemes such as mutual funds or, if you are allowed to, at things which you feel give you the security of the investment and gives you the scope and the return on that investment.

Aside.

Hon. C.P. SINCKLER: Yes, the multiplier effect as well. You are looking at it and you say, "I have come up with a number of areas." Our NIS has investments overseas, I am advised, to the tune of BDS\$222 million in various instruments. These include managed funds,

securities, and whatever the case may be. Mr. Speaker, one thing came home very glaringly to me as Minister of Finance as I read. As I said, I do not sit on the NIS Board and I do not direct them in that way even though the law gives me the authority. That is not how it has ever been done, and I have never done it and I hope that tradition continues long after I have gone, but you get the reports from the Investment Committee so you can look through and see how the Fund is doing in its various investments. Mr. Speaker, of particular interest and note to me was the fact that many of the NIS' investments, certainly since the global recession and financial crisis, were paying basically below-par on the investments. Interest rates in the United States where most of those investments are held were virtually at zero, so that the NIS actually lost quite a bit of ground having those investments in there. This is Barbados' workers' money converted into United States dollars from the Central Bank -- I will get to that point latterly -- and invested overseas in other people's countries to support their deficit financing and to support their development, because the money is over there and they are using it. It is not here. The return on the investment was basically nil. I mean they got stuff, but when you took out expenses and all those things which you had to take out for the administration of those funds, you were not getting anything.

Mr. Speaker, when I looked at the other side of the investment sheet and I looked at how much money was invested in the Government which they said you should not invest in, I saw substantial returns to the NIS in the same period for the investments which were being placed in the Government of Barbados, particularly Government paper which was giving a return on investment for Treasury Bills at 3.5 and 3.25 per cent and on longer term paper debentures as high as six and seven per cent.

Aside.

Hon. C.P. SINCKLER: Even more than that, which the public does not hear too often because you cannot rely on the "fake news" papers nowadays to publish anything that is true. They published some story yesterday that there is going to be an increase in chicken prices because the National Social Responsibility Levy (NSRL) is on chicken. There is no NSRL on chicken. The poor NSRL gets blamed for everything now.

Aside.

Hon. C.P. SINCKLER: If your girlfriend pelts a horn in you, you say it is the NSRL. It gets blamed for everything now. There is nothing in the world now. Anything that happens in Barbados. If you walk down the steps there and you fall and hurt your foot, "Oh dear, Chris Sinckler and the NSRL."

Asides.

Hon. C.P. SINCKLER: I saw in the newspaper yesterday -- I believe it is the Nation -- and I glimpsed it because I try not to read it.

Aside.

Hon. C.P. SINCKLER: It published that there is NSRL on natural gas, and natural gas is going up. Now we brought a Bill in here to make adjustments in relation to natural gas on the understanding that we were increasing the price to give the National Petroleum Corporation the opportunity to have the resources to expand gas to more Barbadians.

Aside.

Hon. C.P. SINCKLER: That was long before the Budget and long before the NSRL was increased, but the Nation newspaper managed to be able to say that NSRL is on natural gas and that is why it is causing the increase on natural gas. I understand the problem. I know what is going on.

Aside.

Hon. C.P. SINCKLER: The point is when I look now, because Barbadians do not hear it, at the return on the investment for real estate -- the Minister of Housing is here so he can verify what I am saying -- the rates of return in some instances on NIS real estate that is leased to Government can exceed ten per cent in terms of return on investment. The social security scheme, NIS, cannot get that rate of return for real estate in the private sector renting to private individuals, because nobody would pay them that amount. The only people who would pay that amount of return on an investment for a real estate asset in Barbados to the NIS is the Government of Barbados. In many instances, therefore, I always make the point: I am not dismissing the people who say that NIS should not invest so heavily in Government.

Aside.

Hon. C.P. SINCKLER: I always make the point. I agree with you. I think the best thing for the Government of Barbados is to wean itself off the NIS, because the amount of resources which we have to expend paying the NIS for

these various things -- the loans, the bonds, the securities and the real estate -- is substantially more than we would pay even if we had to go down on Broad Street and do so but we do it because we are all investing in the Social Security Scheme.

11.50 a.m.

We want it to do well and therefore, we do this. Sir, in relation to the external investment, yes, we want to have the National Insurance Scheme look for some external investments but they have to be (1) lucrative and (2) safe and (3) done in a way that it does not cause a foreign exchange problem for you because you cannot invest Barbados dollars overseas, you have to convert, get US dollars from the Central Bank of Barbados out of your reserves because that is where it will come from and then you invest it overseas. If you are having problems with your reserves, if the reserves are declining or they are not stable enough and growing then how can you say to the Sss1 to come and get some more money to invest overseas. It does not make sense. Sir, I am saying that when people make these comments they have to look at the overall environment within which you are operating, maybe there is day coming where we are going to have substantial amounts of reserves... Sir, even under the last Government when they boast of having \$2.6 billion of reserves the Central Bank of Barbados under them was not permitted to allow the National Insurance Scheme to just come and cash in money to go and invest overseas. There were severe limits placed on it and those limits continue because the people who are managing the reserves and who are managing the economy knew that is a slippery slope you can go down and you can end up having yourself with a whole set of money overseas and then you have a problem home, have to cash them out and bring them back at a discounted return and end up with a problem. Sir, that is why we have not done that in that way but maybe there is coming a day when we have that space and we can allow for it.

Mr. Speaker, I ask the question in Barbados: What are you going to invest in? If it is not Government, tell me (1) where you are going to invest in (2) what you are going to invest in and (3) what is the return you are going to get for that investment knowing that you have actuarial and prudential guidelines as to what your return on investment should be. Sir, if it falls below that level of return on the investment then, is it a wise thing to do?

Mr. Speaker, I feel that the National Insurance Scheme should invest a little bit more in private sector activity. Sir, that is my personal view. I do not run the fund, I am not a social security expert or fund manager but I feel that it should look for strategic areas in the Barbados economy which they can invest in because to do so helps to expand economic activity, grow your economy, create greater employment and eventually create greater contributions to the fund. Sir, I feel so. I do not think that any sensible Government would object to any such thing but, Sir, I understand the fund manager's challenge of seeing where these investments can be done and how strategically they can be done to the improvement of the fund's viability going forward.

Mr. Speaker, you have the issues of demographics, you have the issues of economic growth and expansion and you have the issues of investment. These are the critical areas that have to be considered when we are having a conversation about the National Insurance Scheme and Social Security Scheme.

Mr. Speaker, I must make this point and I am sure it will be said here in this debate. One of the downside risks of being heavily invested in Government is that however the Government goes, the investment goes, so if you have your thing invested heavily in a particular type of activity or area, your fortunes are heavily determined by how that goes and so if in the public sector there is a financial crisis, or financial challenges relative to the Government's capacity to finance its operations then it is to be expected that at some point in time that is going to spill over your Social Security Scheme operations. We have seen this happened in Barbados in the last few years to the extent where because of cash flow challenges the Government has been unable to make its contributions on a timely basis as is necessary and is legally required for the National Insurance Scheme contributions. In fact, my understanding is that the current contribution arrears for Government to the National Insurance Scheme is in excess of BDS\$250 million. It is, yes, coming down but it is high. Sir, that of course, jeopardises the cash flow availability to the National Insurance Scheme. I believe the National Insurance Scheme has about \$1.9 billion invested in Government paper of one variety or the other but the contributions of arrears is a significant issue that we have to deal with and it is not one that should be scoffed at by any stretch of the imagination.

Mr. Speaker, as Minister of Finance, I have the responsibility for the public purse and it is not a pleasant situation to have where such contributions are not paid on time and in full. I must make the point that it is not the first time this has happened, that we have had it before. In fact, one of the things we came into office and found in 2008, as the Minister of Housing can tell you, was that the National Housing Corporation owes substantial National Insurance Scheme contributions and had to give up some land it had at Warrens to cover it and I think there was a lien on the land at Coverly as well as well and some other areas for monies which were owed from back in the late 90s and first part of the current century.

Mr. Speaker, the way we have always dealt with this is to have a conversation with the Fund manager and with the National Insurance Scheme managers and the board of directors to find a way in which we can have a clearing house to ensure those arrears are handled. What we normally do and what we have done in this instance and will continue to do is to sit down with the National Insurance Scheme to determine what are their current cash flow projections and needs to determine how much of the

outstanding amounts they will require in cash now, set that aside and then determine from the residual amount that is left how much of that and where such amounts can be liquidated by the giving of additional Government paper.

Sir, that is how that has been done in the past, that is how we are handling it now. The National Insurance Scheme and the Government are sitting down and have sat down together. I think the 15th Actuarial Review will make mention of this, that Government has reduced its arrears substantially to the National Insurance Scheme by way of offering additional paper and looking at other ways. I am determined and I have said to the staff at the Minister of Finance that in negotiating with the National Insurance Scheme on how to go about this, that we will secure sufficient resources to pay a substantial more portion of that in cash because, of course, the National Insurance Scheme will invariably then re-invest it in Government anyway, so it pays us to pay them, then paper is given, that one of the things we have to ensure and I gave that instruction to the Permanent Secretary and to the Accountant General that starting from this financial year all contributions to the National Insurance Scheme must be paid on time and in full.

Sequence 10

That is the instruction from my office because if we are going to enter into a scheme with the NIS to ensure that we have cleared those backlog of arrears then we have to ensure that we do not build up more arrears to then come back to have to do the same thing again. That is the rule that has been set forth and particularly for our statutory corporations because that is where the challenge is. The challenge is not with Central Government, the challenge is with the statutory corporations who, of course, get their transfers in block and then are allowed, because they are statutory entities with Boards, to determine how they are and who they are going to pay and when, our goal is to ensure, and I know I do not like it, my staff does not like it, but sometimes we have to do it. In instances such as these we may have to step in and do a little bit of micromanaging to ensure that the statutory liabilities of NIS and PAYE and so forth and so on are paid because those moneys are apportioned by Parliament, those moneys in many instances are provided but somehow or the other some of those moneys do not make it to the places where they should be making it, on time and in full and we cannot afford for that situation to continue. I have given instructions that we clean up the existing arrears now that we know who and how much is owed and by home that we do both cash and paper but that going forward from 1st April this financial year, there be no deliberate delinquency and if any agency is having a problem that should be notified immediately to the division of finance.

Mr. Speaker, these are the issues that have confronted us. I know in the last 18 months they have also been issues about the efficiency about the fund in paying the benefits and that largely had to do with the changeover of the software system with the NIS. I believe it has largely settle down. I can take this opportunity on behalf of the Minister of Social Security, I know she has done it in the past, I know other ministers have as well but I can take this opportunity to apologise to the public for the unfortunate and in some instances very inconveniencing delays in getting those payments out to people because there was this computer issue. We had to go in and hire additional staff to ensure that we do those processing manually and the system has now, I believe, returned to a state of normalcy, that is not to say that somebody may not get their thing late, but the widespread chronic issue of late payments of benefits has improved and has gone back to what we will consider to be a normal state or an acceptable state of activity. I think that I should make that particular intervention where that is concern.

When we consider all of the factors involved, how our economy is doing, how many people we have employed, where we need to go to create greater economic growth and employment, how we have to diversify our economy, when we look at what is happening globally in terms of social security schemes, where are the contributions going to come from, what adjustments would have to be made going forward, I think that we have in Barbados done reasonably well, actually quite well to be able to boast of having a social security scheme and a National Insurance Fund that has reserved assets of near \$5 billion under reserve and under management by way of our portfolio. I do not think that we should rest on our laurels. In fact, I am pretty sure we cannot rest on our laurels because the actuarial changes which we were required to make from as far back as 2006/2007 have now run their course because I believe the last one will be the final increase in the retirement age because you know we increased contributions, we increased pension contributions, we increased pension payments through the system of indexing as they call it, giving small incremental increases indexed against both inflation and cost of living and wage growth and those have been done. I believe those have now run their course, and we also increased the age of retirement from 65 through 66 to 66½ to by 2018 to 67 years old. Across the world in social security schemes if you look in Europe a lot of those changes have been made as well. In fact, some people have pushed their retirement ages up to 70 and 72 because of the same demographic issues I am speaking about and some European countries and the UK as well, I should say, have actually reduced the benefits from their scheme. You are having to work longer in terms of your age of retirement and you are getting less benefits and the reason why they do that is to ensure the viability of their fund going forward. We have not lowered the benefits, we do not envisage, for the time being, so far,

given the viability of our fund that we would have to lower those benefits at this stage. We do not propose to do so but I am just telling you what has been done in other countries to keep them viable. We often talk about the Singapore model in Barbados. I forgot to mention this. Everybody likes to say that Barbados should copy Singapore. Do you know they say that when it suits their purpose? A lot of people do not tell you that in Singapore it is law that the Social Security scheme in Singapore must invest in Government only. One hundred per cent of the investments of the Social Security Scheme in Singapore is in Singapore. Singapore has said to their fund managers, you cannot take this money and invest it anywhere else outside of Singapore. It has to be invested in Singapore and in the Government so I listen with much interest to the erudition of those who are experts in these areas. As I have said, I am not. I just know what I read and read what I try to know and do it, but I think base on what we have before us, I want to leave the message as I bring this contribution to a close.

Asides.

Hon. C. P. SINCKLER: No, no, no. I want to bring this contribution to a close by saying that we have a good Fund. It has been a long and arduous period in the post-independence period of Barbados and the foundations of this Fund and this Scheme are solid because of good management and proper leadership, because of smart investments and conservative interventions in relation to our investment practices.

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It is solid because at periodic times when advised to do so by the experts we have stepped up and made the adjustments which are required to keep our National Insurance system safe, sound and viable.

In the context of that and in light of the challenges which we continue to face relative to our economy, relative to the demographics of our society we have to continue to keep watch on our Fund. We know in Government it is heavily invested in us and we have a fiduciary responsibility and a legal responsibility to ensure that we protect those investments and that if at any time such investments come under strain because of things that are happening in our economy and society that the Government of Barbados will step in to ensure that our NIS remains a viable entity contributing to the development of our society. It is not without interest, Mr. Speaker, that only recently we had two insurance companies which have had trouble in the private part of the insurance sector in Barbados, British American and CLICO. Those are not the only ones because we had Great Northern, Norwich,?? we have had all over the place. Do you know what is the thing about it, Mr. Speaker, in these private sector failures - and we had some bank failures too.

The point that I am making is that even with these private sector failures in Barbados when these things happened where did people in Barbados who were affected turn or to whom did they turn? To the Government of Barbados. In fact, between British American and CLICO we are looking at close to \$800 million when it is all done and finished, over 20 somebody years, that the Government and taxpayers of Barbados are going to have to underwrite to bail out these two companies. I came here with the legislation for CLICO and I came here with the legislation for British American.

I know the Honourable Member for St. Andrew, I do not blame him, every time he speaks, particularly in the Budget or the Estimates, he makes the point that we do not give updates on CLICO and they do not know what is happening and so forth. I appreciate his comment and I can say to him as I can say to the House and to Barbadians I am equally as frustrated in relation to some of the issues relative to those two things. I want to say and place it on record, that it is not for the fault of trying and intervention and agreement by the Ministry of Finance or the Government of Barbados that anything in relation to those two bail out scenarios have been delayed. Everything that they have asked me to do, I have done. The two companies are under judicial management and under the direction of the Court. We were given a restructuring plan, we were asked to agree to both of them, we agreed to both of them. We were asked to draft legislation to bring here to Parliament to have Parliament sign off on the bail-out plan for the Bonds and so forth, we brought it here and did that. We were asked to provide \$50 somebody million for CLICO, we took a loan from the Central Bank of Barbados and the money is still there. Everything that we have been asked to do by the judicial managers and everything that I have been asked to sign off on by my staff, by way of recommendation from them, we have done. We were asked to set up two companies, an asset management company and a new insurance company, I came here Parliament, I did it as asked to be done in the timeframe it was asked to be done and handed over everything to the people who were supposed to get it done and I too like anybody else, have my frustrations as why, up to now, between the judicial manager, the Court and whomever else is involved in the process at that level we cannot get these matters dispensed with. I continue to urge them. In fact, I said very clearly I am not spending another cent of the taxpayers money or approving for another cent of the taxpayers money to be sent until I see that this matter is resolved. No one will be paid another cent until these matters are dealt with. I agree, yes, they are complicated and information cannot be found and this had to be done and the judge is on vacation and, I have heard all of it, but I want to place on record, it is not because of the fault of the Ministry of Finance or anybody in the Government that we have not yet gotten to the stage where these things can be executed. My hope is that in the next couple weeks, in fact, I have a

meeting with the British American crowd on Friday Morning and I tell you, I will have to take some calming down pills when I go into that meeting because I am going in there very unsettled. I am going to be asking for it because these things need to be done, the Parliament has spoken, they have given their support, the Cabinet has spoken they have given their support, we have provided the money. Everything is there, just get on with it and let the people get their money, get this thing resolved and let us move on to something else. That is my position. I am not putting blame on anybody but I know where blame ought not to be placed at this stage.

Since we have stepped forward as a Government and bailed out two private entities who failed not on our watch, because this failure started under the last Government, we stepped in and bailed out them then we have a responsibility. If anything happens to our NIS -- we are not going to let it get there -- but at the end of the day the Social Security Act is very clear. If the National Insurance Scheme needs resources for any matter to which they cannot readily put their hands on it, the Government of Barbados and the Consolidated Fund is so hereby charged to provide those resources to ensure that the viability of the NIS remains intact. I want to say to all those pensioners and prospective pensioners and future pensioners and workers in Barbados that regardless of whichever Administration it is under the NIS will remain in a securitised position because our position in the Ministry of Finance has always been the NIS must come first and then we can do business with anybody else after.

Mr. Speaker, as I close, once again I want to thank those persons who would have stepped forward and ensured that their liabilities are paid. I know the actuaries, as did the Prime Minister when he spoke at the dinner, the 50th Anniversary Awards for the Fund and I want to say congratulations to the Fund for its 50th year of existence but I know that they raised the issue of self-employed people because we need to get more people in. There are a lot of people who are not paying, a lot of artisans, a lot of attorneys-at-law, a lot of medical people who are not paying into the Fund.

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Mr. Speaker, there are lot of people who are not paying -- a lot of artisans, a lot of attorneys-at-law, a lot of medical people, independent practitioners.

Asides.

Hon. C. P. SINKLER: We have already dealt with that, I know that is what you are getting up to talk about. Mr. Speaker, there are a lot of people who are not paying into the Fund who when they get to the age of retirement though, they turn up at the National Insurance Scheme

looking for a contribution they are not going to get it. I remind everybody that the last Administration, I think in their wisdom and I agree with them, decided that the age of age of a noncontributory pension should begin to be phased out and so they brought to a halt the provision for what we call old-aged noncontributory pensions. We still have a few people who are on that pension but that number is reducing because of the changes in the rules by the last Administration and so we do not add anybody new. Those persons who are already there we will give, once those persons have passed on, that is it, so that everybody who wants to get a pension should contribute to that pension. I sincerely believe so.

Mr. Speaker, I have said in this Honourable House during a previous budget debate, as I have said in the Estimates, for example, in Government one of our heaviest item of public expenditure, in fact, apart from interest cost, the fastest growing line of expenditure in Government's expenditure budget is that of pensions. Right now by average we are up to about \$260 million or \$270 million a year in Government pensions to which there is no direct contribution by public officers. There is a debate on how that is structured, that that contribution is really covered in some other area. I do not know about that part, what I do know is that once you come to work in the Government and you are appointed you get a pension at the end of the term of employment once you qualify and once you reach pensionable age and for the existence of that working life no deductions are made out of your salary to pay for that pension, so that it comes straight out of the Consolidated Fund out of the tax dollars that Bajans, apparently we are being told, do not like to pay.

Mr. Speaker, this is the reality and so we have to look at pension reform in Government because more people are retiring out of Government than are coming in, as it should be, and therefore we have to make provision for those pensions 20 years from now where the numbers are even going to be greater. Mr. Speaker, two years ago I saw that figure jumped by \$30 million in one year, if that is going to continue year by year by year that is going to be the next issue that the Government is going to have, as that will undermine public finances and so it has to be dealt with. Mr. Speaker, these are the kinds of things when we talk about economic reform that had to be done.

Mr. Speaker, I know under the last Administration when the National Insurance Scheme Pension Reform matter was being dealt with, it was suggested to the Administration that they should have dealt with the public service one as well, but a decision was taken that it was not the most appropriate time to deal with it then, and there is documentation to that effect.

Asides.

Hon. C. P. SINKLER: I understand. Well, we went into a recession and so you have to look at all of these things but I know that under the last Administration they felt it was a little too close to the hour at hand and therefore then was not the time. Mr. Speaker, to be fair to the then Minister of Finance and others in the last Administration, that is not something that you can just do overnight, that is something that calls for major actuarial reviews and studies, so that it is going to take a few years to come up with something.

Asides.

Hon. C. P. SINKLER: Mr. Speaker, I am having it ready so that whoever has to deal with these things would deal with them, the point is that it has to be done, we have to find a way. We have talked about it, we have to see how we can manage those financing costs and who is going to pay - healthcare, education, et cetera, because it has now come become clear that we cannot finance these big ticket items only from raising tax, so that that entire thing has to be restructured, that is why I say to people that you have to take the time as a country to go through all of these things and that serious decisions have to be made because it is going to change the entire culture of public sector involvement in the Barbados' economy. Mr. Speaker, the entire thing is going to change, it is not just going change but it is going to change substantially, according to what we have become accustomed over the last 50 years.

Mr. Speaker, the question is, who are the men and women who are going to step up to the plate and accept that challenge, devoid of all of the political noise, devoid of all of the marches and these little things, the retail things that we have in political and other life in Barbados that sound good and feel good, et cetera. Sir, those things have a part and a role to play, the questions is, though, when it is all finished who is going to sit at the table and have an honest and frank discussion about the type of society and economy that Barbados needs to have, given the issues that confront us. Sir, that is all, you know. The noise apart, we are going to hear it, we will hear it in here today but at the end of the day the question is who is going to sit down, the men and women who are going to sit down at the table and make those decisions, the men and women who are going to have those discourses, the men and women who are going to engage the public and say to them, not pander to them, look, this is what has happened for the last 50 years but that for the next 50 years there has to be a fundamental change.

Mr. Speaker, when you have been around here long enough like me, I have seen quite a bit of it, so that I know what to expect and as we get closer to the silly season or as we get deeper into the silly season I know how much more of it to expect and therefore unlike some people, I do not worry about which newspaper article says what or who

issues what statement, or who collected \$22 billion in taxes, never mind that they never heard about something...

Asides.

Hon. C. P. SINKLER: Mr. Speaker, nobody talked about the expenditure, they just talked about how much taxes were collected. They did not talk about the rate of inflation, like if you buy Ju-C for 25 cent in 1960, that you can expect that you would pay 25 cent for it in 2017. None of that, because that is beyond...

Asides.

Hon. C. P. SINKLER: I am not spoiling it, I am just saying that I am not getting myself all caught up in those things because I know that a greater, more serious, more mature conversation has to be had in Barbados on these issues and that those little things that sidetrack us, that cause us to lose focus, really should not.

Mr. Speaker, in moving that this Bill be now read a second time, I say that Barbadians can rest assured that they have a Fund in which they can be proud; that it is well-capitalised; that it has substantial assets close to \$5 billion and that it is viable going forward well into the future. Mr. Speaker, in fact, I think by some estimates they say that even if the National Insurance Scheme were not go get a single contribution from today from anybody that it would still be able to meet all of its commitments at least for the next five to eight years. That is a Fund that is viable and reasonable under the circumstances. I want to commend all who have contributed to this Fund and long may it continue to be a backbone of the financial and social community of Barbados.

Mr. Speaker, with those few words, I now beg to move that this Bill we read a second time.

Hon. D. St.E. KELLMAN: Mr. Speaker, I beg to second that, Sir.

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

12.35 p.m.

SUSPENSION

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move that this Sitting be suspended until 2 p.m. today.

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

The question that the Sitting do now suspend until 2 p.m. for lunch was put and resolved in the affirmative

without division and MR. SPEAKER suspended the Sitting accordingly.

12.32 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. When the suspension was taken, we were on Order No. ..., and with that we shall continue.

THE SPEAKER vacated the CHAIR and MADAM DEPUTY SPEAKER assumed the CHAIR.

Madam DEPUTY SPEAKER: The Honourable Member for St. George South.

Mr. D. SUTHERLAND: Madam Deputy Speaker, I rise to add my voice to this debate on this Bill that seeks to amend the National Insurance and Social Security Act, Capp, 47.

Madam Deputy Speaker, this Bill speaks to a waiver of 100 per cent of the interest on arrears of contribution if the arrears is paid in full between the stipulated dates of October 1, 2016 to March 2017. Madam, I sat in this Honourable Chamber and I listened to two hours of what I call lecturing to the gallery from the Honourable Member for St. Michael North West. He sought to spend his entire presentation trying to justify why this Government, his Government, the Democratic Labour Party have misused and abused the National Insurance monies and sought to spend time explaining several aspects of the National Insurance Scheme, the fund what is paid from it, how it is done and the benefits but what the Minister, the Honourable Member for St. Michael North West did not explain and elaborate was the whole aspect of what this amendment speaks to, employer or self-employed person, who has failed to pay their National Insurance over the period and they are offering an amnesty if they pay by March 1, 2017. Madam, that is where I will start. Madam, this whole aspect of self-employed persons and some of the challenges they have faced over the last nine years under this Democratic Labour Party Government. I do not seek to during my presentation because this Bill that is before the House speaks to a key (3:08) development aspect of Barbados which is the social security and we should try where possible to treat to it as this Government should have over the last nine years in terms of being prudent in terms of exercising a duty of care to the citizens of this country because we have to realise as a people that the National Insurance Fund is not the Government's money.

Madam Deputy Speaker, the Government must ask itself why only 3 500 self-employed persons registered with the National Insurance Scheme, when we have some 20 000 persons working in the informal sector, and I am

speaking to employers and self-employed persons. Madam Deputy Speaker, for the past nine years, businesses have been experiencing some challenges and these employers have been finding it difficult to make ends meet and they will risk the retirement because they cannot forfeit putting food on their tables daily, they simply cannot afford to pay bills, send school three children, some four, some five, and also pay National Insurance contribution, so the reality is something has to be sacrificed and they have sacrificed their National Insurance contribution for the sake of their family and for the sake of their businesses, for the sake of their survival. Madam, these self-employed businesses are not making any money and when you pay National Insurance Scheme contribution they are asking themselves what is the benefit to them.

Madam Deputy Speaker, in simple terms, these self-employed businesses have no money from which to access this National Insurance contribution and it is like fishing in a dry pond with bait, you will catch no fish. Madam, the saying goes, nothing from nothing leaves nothing.

Madam Deputy Speaker, only Jesus can do such, turn water into wine. It is like the Honourable Member for St. James Central said, it is like getting blood out of stone. You are asking these self-employed persons to pay National Insurance contribution when they have been hit by major austerity by this Government and we have to seriously look at this. Madam, this is no joke. Madam, self-employed persons have a choice either to pay their National Insurance contributions or to support their family. Madam, if you ask any member in this Honourable Chamber if they are given that choice what they would do and, Madam, they would tell you that they would support their family and forfeit the longevity pension coming in their twilight years for the sake of their family.

Madam Deputy Speaker, you waive interest if arrears are paid and you know very well these businesses have no money to pay arrears. Madam, it is therefore uncaring and insensitive of this Government at this time to be focusing on self-employed persons and trying to collect less than \$40 million they say. Madam, we have to speak to the National Insurance Scheme but I will come to that as I have unlimited time.

Madam Deputy Speaker, I had a chat with a number of self-employed persons and listen to some of the comments from these business men, business women and self-employed persons. They says:

There is an inability to access the fund when payment is due to them.

Madam Deputy Speaker, one of the challenges as seen by the self-employed persons is the inability to access funds when payment is due to them. We have several

bottlenecks in the National Insurance system. We know that is true because we have heard the Honourable Member for St. Michael North West speaking to them. He is hoping that the IT problems have been resolved. He is hoping so there is no definite given as to what are some of the challenges with getting money out of the National Insurance Fund.

Madam Deputy Speaker, let me just pause a minute. Madam, we are talking about small businesses and we are talking about self-employed persons who have no access to funds like the big players, the rich and famous, who have benefitted from the concessions given to Government to most of these players. We are talking about small business men and women in the country who are struggling to survive. They have no support network in terms of accessing funding but here we are giving this amnesty but at the end of the day what will the Government get from these persons who can hardly afford to keep their doors open.

Madam Deputy Speaker, some of the questions posed by these self-employed persons are that they have heavy taxation and no concessions for persons like them. Madam, they say they are not Sandals. This is what the self-employed persons are saying to us when we did our survey. Madam, in discussions with self-employed persons and small business men and women in the country during our "Rubbing Shoulders" and I am happy that we have taken it upon ourselves as a political party to go into the communities and find out what is happening in these communities and what are impacting families and people's lives and these are some of the issues.

Sequence 15

One said to me what they think Government should look at is a waiver of the self-employed person for him to be waived to pay NIS during the next year when the economy has been contracted and hit by a \$500 million austerity measure. They should be given amnesty for one year, this is what one of the businessmen is saying to me, Madam Deputy Speaker, and he is also saying let us look at reducing the threshold for payment further. These are some of the issues that you as a Government, Madam Deputy Speaker, ought to look at. It is all well and good coming in here talking about an amendment is a simple amendment and you are trying to justify why this debate should be wrapped up in half an hour but you spent two and a half hours trying to explain the whole National Insurance Scheme to the students in the gallery. That is all you did but you have not said to this Honourable Chamber and to the people in this country what are the challenges the National Insurance face and what this Government has done that has put the National Insurance Funds, the three funds, in jeopardy at this stage. Self-employed persons like he said, received benefits except unemployment and injury

benefits so they received invalid benefits, contributory old age pensions, funeral grants, sickness benefits, maternity benefits, these are some of the benefits that the self-employed persons receive, except unemployment. Madam Deputy Speaker, when we are talking about self-employed persons and this waiver and this amnesty these are some of the things we have to look at.

Madam Deputy Speaker, we have a more fundamental issue with the National Insurance Scheme and that is a small part that I just mentioned. We have a more fundamental issue. The IMF recent report on the National Insurance Scheme Reform in the Caribbean indicated that the expenditure of the National Insurance now exceeds income from contributions and that is a source of concern that was highlighted by the IMF and according to the IMF Report the total expenditure of the National Insurance has exceeded its income from contributions and hence it has passed the first inflection point. What we have in order to address the expenditure and the payment of National Insurance to people in this country we are now going into the investment income. That is all it is saying. We have passed the first inflection point whereby the contributions coming from these employers and self-employed persons is now less than the expenditure, what is being paid out and that is a source for concerned. This was also mentioned in the 14th Actuarial Review Report as a source of concern and these are some of the things that the Honourable Member for St. Michael North West never mentioned in his two and a half hour lecture because these are some of the things that are fundamental. He did note that the funds are driven by economic conditions such as growth and I added labour market changes so growing the Barbados economy is critical to the entire National Insurance Fund reserves in ensuring that it is at a level to cater to the pensions. Madam Deputy Speaker, this is fundamental because this is linked to all economic changes in this country so when we do not have growth, when we have what we are seeing in this country over the past nine years we would have challenges with our National Insurance Fund and there are other reasons for that also. The National Insurance Scheme though was created - and I must make this point -- primarily as a social safety net for the people in the lower spectrum of our society but yet when we see some of the challenges and some of the actions being taken by this Government we are asking indeed whether they are enhancing the safety net or whether they are pulling that safety net from under the people from the lower spectrum in this society. Bear that in mind, Madam Deputy Speaker, that was why the National Insurance Scheme was primarily set up. It was also set up so those persons who live into their twilight years could receive a pension. This system is so designed and constructed to protect the citizens of this country and I must agree with the Honourable Member for St. Michael North West that successive Governments, before this one I must say, before the last nine years, would have done their best to ensure that persons receive the

necessary compensation, their moneys that they would have paid into the fund whether it was pension, invalidity benefits, unemployment, whatever, Governments prior to 2008 saw it fit to manage this fund prudently. Now there is something else, Madam Deputy Speaker, that is driving this Fund to crisis and we have to look at all of the issues that would force this Fund into crisis. The National Insurance money -- and I will make this point for the benefit of the people in this country -- I am not lecturing like the Honourable Member for St. Michael North West, is not taxes collected by the Government of Barbados. Some persons, I do not want to say fools, do not have the knowledge that National Insurance money is not taxes collected by this Government, it is their money that is being held in trust. The Government is a trustee and prudence dictates how this Government is used.

Asides.

Mr. D. G. SUTHERLAND: I am going to get there, I am going to get there.

The Barbados Labour Party (BLP) remain very concern on the financial integrity of the National Insurance Fund considering the present state of this economy and having been told by the IMF and other persons who are capable and competent to comment on the National Insurance Scheme that our reserves are only eight years compared to a country like St. Lucia that has 30 years on their reserves. It is all good and well for the Honourable Member for St. Michael North West to get in here and talk about \$4.7 million in reserves but how does that compare to other countries and where do that put us in terms of 50 or 60 years down the road. These are some of the questions that are being asked and these are some of the facts that have been excluded from the Honourable Member for St. Michael North West presentation. I would like him during his wrap up to explain to the country since he said he has seen the drafted 15th Actuarial Report, why is it that we only have eight years in reserved compared to other Caribbean countries that have some 30 years. These are some of the questions that need answers.

Madam Deputy Speaker, this brings me to the whole aspect of the Government and how the Government continues to use the National Insurance Funds to their benefit as a slush fund. Before I get into the slush fund issue and how this Government has used the National Insurance Fund I must make known to this Lower Chamber that the Government owes the National Insurance as the Honourable Member for St. Michael North West said over \$250 million. I said it is over \$290 million in debt. The Government of Barbados owes the National Insurance over \$290 million and most of this debt is associated with arrears of rent from Central Government, arrears of payables from agencies who rent buildings own by the

National Insurance and arrears contributions from statutory corporations.

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He did mention statutory corporations which owe probably about half of this and I would like this Government to compare what they owe to National Insurance to what these self-employed persons owe to National Insurance. You have to lead by example, Madam Deputy Speaker. That is what we have been chosen to do in this Lower Chamber and in the last Budgetary Proposal, Madam Deputy Speaker, the Honourable Member for St. Michael North West proposed a debt re-profiling strategy where Government can re-issue its securities to NIS at a lower interest rate and that would have realised some savings of \$70 million, that is what was proposed by the Honourable Member for St. Michael North West but you know how the Honourable Member for St. Michael North West is, smooth, he comes in here with all these grand proposals and at the end of the day, he recognise it is not that easy to implement. The reason why this is not that easy to implement, he made it sound as if he can go and talk to NIS and he can enter into this re-profiling of the debt to reduce the interest payment and principle and that is hunky-dory but it does not work like that, Madam Deputy Speaker. When Government issues instruments, be it Treasury Bills, Treasury Notes or Debentures, you acquire these by a tender process so it is not just National Insurance and the Central Bank of Barbados that you have to talk with, there are other persons in the pool that you have to talk to so when he came in here and he made these grand plans that he will speak to the National Insurance and he will speak to the Central Bank of Barbados and this debt re-profiling is all hunky-dory, it is not so. You have to ensure that the other instruments in collaboration with a number of parties, whether these parties are on the same wave length as you are. The Honourable Member must tell this Lower Chamber what he had done since he made that pronouncement in this Lower Chamber with respect to re-profiling of the debt, when it will start and who are the other players that are part of the tendering process that must be considered with respect to debt profiling. It is not just the National Insurance and the Central Bank of Barbados. It can only be done with all parties sitting around a table and agreeing so you can talk to the Central Bank of Barbados for a whole day that has nothing to do with the other parties. Yet again, Madam Deputy Speaker, a grand pronouncement by the Minister of Finance on behalf of this Government but lack of implementation and we keep saying that. The main issue with this Government is failure to implement all of these grand plans from Budget after Budget and Estimates after Estimates. All of these grand plans for the past nine years and that is an example of one of the strategies outlined in the Budgetary measures that he claimed would raise \$70 million but yet we have not seen a plan.

When I speak to the whole aspect of Government owing the National Insurance \$293 million and we spoke about this whole aspect of debt re-profiling if Government continues this practice of settling its arrears by issuing Government Paper the Actuarial Report states that the NIS will be out of reserves by 2032 so the Honourable Member for St. Michael North West highlighted that 75 per cent of NIS funds are in Government Paper and the Actuarial Report and the Actuaries suggest that you should not go over 55 or 60 per cent and it is a problem not just for the actuaries but it is a problem for the Director of National Insurance and we must take heed when persons that we have placed in positions to manage certain schemes and statutory corporations ask you to take heed but as a Government you see it fit to continue issuing Government Paper and I will get to the investments later. This NIS re-profiling of debt has far-reaching cash flow implications for National Insurance Scheme as well so if this plan to re-profile the debt to the NIS is ever done we have to go back to make sure this makes all the actuarial reviews and all of the actuarial recommendations or what we call actuarial politics as it relates to managing the National Insurance Scheme so it is not that easy. This would probably require, not just a 15th actuarial review but a review of the 15th actuarial review that the Minister would have seen so this is a no-no. This strategy of achieving \$700 million through re-profiling of debt to the NIS is not possible unless all of the parties accept and not just National Insurance Scheme and the Central Bank of Barbados.

Mr. Speaker, the Honourable Member for St. Michael North West in his presentation spoke about the investment of National Insurance Funds overseas. I will continue to say on the behalf of the Barbados Labour Party (BLP) that the Government has not allowed the National Insurance to invest outside of Barbados since 2008 and the Honourable Member will say that it is not possible and where the investments will come from but you must allow the Investment Committee which is, by law, to do their job. You just cannot come in here and say where the investments will be and I will give you some figures because the Honourable Member spent the whole day quoting figures. I do not have those documents but I can quote from what I know, Madam Deputy Speaker.

In 1994, foreign investment income stood at \$541 000 and by 2006 under the Barbados Labour Party (BLP) investment income was \$180 million so we found investment and it was done by the Investment Committee by law. The Barbados Labour Party (BLP) between 1994 and 2000, you can see it more than doubled the foreign exchange generated from investing the National Insurance portfolio overseas, foreign investment and that brought in foreign exchange and this was achieved under the Barbados Labour Party (BLP). At the last actuarial review, foreign investment stood at \$159 so it dropped from \$180 million in 2007 to \$159 at the last actuarial review which was

2011. Madam Deputy Speaker, you can see, once you are focussing on achieving something you will achieve it. This Government, the Democratic Labour Party (DLP) focusses on tying up the National Insurance money in Government paper. That is the focus. It is not about seeking out investment using the Investment Committee which is authorised by law to find investment for the National Insurance funds because when we reached the second inflection point where the expenditure exceeds income from contributions and investment, we are in crisis mode. The last inflection point as articulated by the IMF is the third inflection point when we have no reserves so we are in crisis mode, but I heard the Honourable Member for St. Michael North West just like the other Members on the Democratic Labour Party (DLP) whether it is the Minister of Labour or it is whomever, the Right Honourable Prime Minister, the Right Honourable Member for St. Michael South, they try to tell our citizens that the National Insurance Scheme is in good hands.

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Madam Deputy Speaker, it is not. I would like the Honourable Member for St. Michael North West to tell this Lower Chamber and the public whether we have reached the second inflection point whereby the total expenditure exceeds income from contributions and investments. Madam Deputy Speaker, that is in crisis mode. The Honourable Member can tell us what the 15th Actuarial Review says because the Honourable Member has a copy and indicated that this morning in his presentation, but these are some of the issues that we as a people have with respect to the National Insurance Fund.

Madam Deputy Speaker, the three Funds must be managed so that 50 or 60 years down the road when people are living in their twilight years they can receive their pensions. Ma'am, I will get to the Unemployment Fund shortly because the Honourable Member did not speak about that Fund at all. Madam Deputy Speaker, these are some of the issues, if current trends continue with respect to these funds, the National Insurance Fund would be bankrupted by 2032. The last review said by 2056, that in itself is a short period but by 2032 is like down the road - tomorrow. Let us count the years, that is 15 years from now, so that people around 55 and 60 years who are approaching pension, there is nothing in the kitty for you if this Government continues to use the National Insurance Fund as theirs. They have to stop that, I do not mind all the talk from the Honourable Member for St. Michael North West.

Madam Deputy Speaker, I will give an example of what is happening with the Fund because the National Insurance Scheme is now relying on investment income to survive. Why is that? These are current figures, the current expenditure figure stands at BD\$54 million monthly and

the current contribution collected by the National Insurance Scheme monthly is \$47 million per month, so that you have an expenditure of \$54 million which is more than your total income of \$47 million, so that you have a net deficit of \$7 million per month. Where do you take this \$7 million from? You have passed the first inflection point where expenditure exceeds income, so that you now have to take \$7 million a month to pay National Insurance Scheme to these persons, whether unemployment, old-aged pensions or whatever and multiply that by 12 months, so that you are looking at \$84 million of investment income per year, so that this Fund has its challenges. Ma'am, there is nothing that is smooth and running as the Honourable Member for St. Michael North West would want us to believe, that everything is hunky-dory and that there is no need to panic. Ma'am, there is need to panic when you are using the investment income to supplement expenditure on a monthly basis to the tune of \$84 million annually, there is time to have concerns, there is time to panic.

Ma'am, I would want that in his wrap-up the Honourable Member for St. Michael North West would explain what this Government has in store to ensure that we do not be operating from our reserves, which is the third inflection point. We are now using our investment income to supplement expenditure, we are now at that stage of using our investment income when we cannot have proper investments overseas. Ma'am, the Honourable Member for St. James Central knows this well, so that we are talking about managing the portfolio more decently, more prudently, yet as a Government having been told by the Director of the National Insurance Scheme that you have too much of the National Insurance Fund tied up in Government Paper, you still cannot tell this Honourable Chamber how you expect to address this problem.

Madam Deputy Speaker, we want solutions, our budget as we can see... Ma'am, I go back to the budget because part of the strategy for this Government hinges on the National Insurance Scheme, a major part. Ma'am, I spoke to about \$70 million but it is more than that. I would like to know what plans that this Government has to address these issues. We cannot go on like this, if we go on like this we would recognise that 15 years down the road that, for example, the Honourable Members for St. Joseph, the City of Bridgetown or St. Michael South Central will not receive any pensions because of the poor management by this Democratic Labour Party Administration.

Ma'am, the Barbados Labour Party left the National Insurance Fund with \$180 million in reserves but over the last nine years you have managed to destroy almost everything that you put your hands on, you have decimated, you have decimated, you cannot get put back, nothing at all, Ma'am, that is what this Democratic Labour Party has managed to do.

Madam Deputy Speaker, one of the most fundamental points that was raised, and I agree with the Honourable Member for St. Michael North West on this, is that of the whole ageing population. This is the biggest issue facing the National Insurance Scheme. Ma'am, while there are some 43 600 pensions presently, this is expected to increase to 54 000 in five-year's time, so that we are adding close to 10 000 pensioners in five-year's time, so it is an ageing population with increased pension payments and retired benefits.

Ma'am, I agree with the Honourable Member, though the Honourable Member did not get into the minute details but stayed macro because that is the style of the Honourable Member because the Honourable Member likes to make everything seems easy but we know very well from listening to the Honourable Member and from my tenure in here over the last 4½ years that whatever the Honourable Member says we have to take with a grain of salt because it is not...

Asides.

Mr. D. G. SUTHERLAND: The Honourable Member says a whole cup of salt, so that we are at a stage where we have an ageing population. The Honourable Member spoke to the current birth rate and also to the current replacement rate. The current birth rate is at 1.7 per cent and the replacement rate is 2.1 per cent, so that we recognised that we are having less children and that people are living longer, so that we are seeing a decrease in the birth rate but an increase in the ageing population, Madam Deputy Speaker.

Madam Deputy Speaker, we need now to examine the funding ratio, we need now to look at how much workers do it takes to fund a pension, so that we are now at a very critical stage now looking at our funding ratio. Ma'am, we are at a critical stage but most of the reform was done by the Barbados Labour Party when we increased our pensionable age from 65 to 67. We also saw it fit to introduce early retirement and so we did both. Ma'am, we did not only increase the retirement age to 67.6, we also introduced early retirement at age 60. Ma'am, these are some of the reforms that the Barbados Labour Party would have done under the Right Honourable Member for St. Peter.

Madam Deputy Speaker, this brings me to the Unemployment Fund. Ma'am, when I hear the Minister of Labour and the Right Honourable Prime Minister and Member for St. Michael South speak about this Unemployment Fund it pains me, Madam Deputy Speaker, because it is clear that the Unemployment Fund is in trouble. Madam Deputy Speaker, it is in trouble based on the lack of prudent management from the Democratic Labour Party.

2.58 p.m.

It is in trouble, Madam Deputy Speaker, but it is in trouble based on lack of prudent management from the Democratic Labour Party. It is not in trouble because people are living longer and you are paying out more unemployment benefits. We have managed this Fund poorly, and that is true. The evidence is there to show that we have managed this Unemployment Fund poorly, and some of the facts are here. In the Unemployment Fund we have had reserves to the tune of over ... well, this is the total reserves: \$3.8 billion, but this Fund is dwindling as a result of us paying out more money in unemployment to persons. However, they are deserving of the payments. When I heard the Minister of Labour stating that persons who refused to be counselled or turned down job opportunities by the National Employment Bureau should have their unemployment benefits discontinued, I mean it is six months. Lord have mercy, Madam Deputy Speaker. Are you going to be so punitive with the citizens of this country? When these persons go to the National Employment Bureau as part of the process to get that second stack after they receive the green paper and have to go over to the National Employment Bureau, there are no job opportunities there. Several persons in St. George South, from Greens, Todds, Macaroni Village, South District -- the Honourable Member for St. Philip North likes South District -- Watts Village, Campaign Castle, all over Byde Mill and Drax Hall, told me when they go to the National Employment Bureau, there are no jobs available.

Madam Deputy Speaker, I listened to the Honourable Member for St. Michael North West and he has not addressed any of these issues. Persons visiting the National Employment Bureau are offered very few jobs and those which they are offered -- very few -- are paying less than the unemployment benefit limit, which is a maximum limit of 60 per cent of \$4 000 monthly. That is what you can receive; maximum in unemployment, 60 per cent of \$4 000. We can do the maths. That is \$2 400. That is the maximum you can receive monthly. There are persons who are unemployed and, yes, unemployment has increased in this country, and they would have been working for over \$5 000 a month or \$4 000, and this is the maximum they will receive when they go to the National Insurance to receive unemployment benefit. Then you are offering them a two-day-a-week or a three-day-a-week job.

Madam Deputy Speaker, let us be real. If I am working for \$5 000 a month and I can sit down for six months and earn \$2 400 a month in unemployment, why must I go to work for two days? It is my money that I have contributed to the NIS but yet you are telling me you are going to discontinue my unemployment benefit if I do not take a job that is paying me for two days' work. I would be getting \$1 000 a month as opposed to the maximum of \$2 400. That is what the Minister of Labour is asking the

citizens of this country in these tough economic times. I am saying that if we are talking about amnesty, let the citizens of this country receive the unemployment benefit. Manage it better, be more prudent, stop using the Government funds willy-nilly, and treat our citizens like true citizens. Let justice be served. We come into this Chamber with an Amendment to waive fees, 100 per cent of the interest payment, but yet we have persons who are unemployed and who cannot get \$2 400 monthly simply because you have introduced part of your austerity measures. Even though it did not come in the Budget, it is inhumane in my view, and I know in the Members' view on this side -- I do not know about the Democratic Labour Party because they seem to accept everything that each other says in these times -- that it is inhumane, insensitive and uncaring. Those are the words which you keep hearing about the Democratic Labour Party.

Madam Deputy Speaker, up to today at the march, you heard that you are uncaring, you are insensitive and you do not understand the needs of the people of this country. You have wiped out the middle class, you have made the poor poorer, and you have now gone to the higher echelons. Some you are making richer, but some you are also making poorer; a few. That is what this Democratic Labour Party is doing in this country. It must stop.

You are asking persons to go and work for three days a week for less than \$2 400. I think you ought to rethink this. Like I said to the Honourable Member in my presentation during the Budget, he needs to rethink these austerity measures. Look what is upon us today. We have persons in this country who are asking for the removal of the National Social Responsibility Levy (NSRL). Some are asking for 50 per cent. They are even generous to say, "Let us split it in half. Let us go 50 per cent in the first instance." Madam Deputy Speaker, even 50 per cent is painful. We have people in this country who will not be able to send to school their children come September. We in this Honourable Chamber are fighting back for our ten per cent; not fighting for it because you have restored it. We, the Honourable Members on this side, have shown this country that we are walking hand-in-hand with them in these tough economic times. We have told you that we will go nowhere near that ten per cent reinstatement as Members of the Opposition, but you have boldly and arrogantly insisted that you must take back your ten per cent at a time when you come to this Honourable Chamber asking for amnesty for self-employed workers. This means that you understand what is happening in this country, but clearly you do not care.

Madam Deputy Speaker, I am asking, through you, the Right Honourable Member who leads the Members on the other side. Some say he does not lead them. They do as they please, but I recognise leadership and I would say that the Right Honourable Member for St. Michael South is the

leader. He leads. Give him his due credit. That is what he earned. He went to the polls and he won and he was elected despite some of them not wanting him. I am looking at a few across there right now who would like to see the back of him and curse him every week when we canvass. They do not like him.

Aside.

Mr. D.G. SUTHERLAND: Madam Deputy Speaker, I am asking, through you, the Right Honourable Member for St. Michael South, on behalf of the residents of St. George South and on behalf of the citizens of this country. I am pleading with you, the Right Honourable Member, on behalf of the Members of the Barbados Labour Party and the constituents who we represent and even your constituents, to ease the pain of the people in this country. Forget the Members who criticise you. The people of this country want an ease. I know they do not like you. I do not hate you, the Right Honourable Member. I do not hate you at all, but I am asking you to do justice to the people. We just had a march and I listened to the people in this country. The unions represent most of the workers in this country.

Madam Deputy Speaker, the Public Service has had to endure a wages freeze for the past eight years. Right Honourable Member, how do you feel taking back your ten per cent and you have people who make this country, who push paper, who deal with policy, who are the builders of this nation, and who cannot get a raise, but you have taken back? You said the reason why you took that ten per cent cut was because things were rough in this country and you were demonstrating true leadership; that was what you said in this Lower Chamber. You said you would bear the pain with the citizens of this country. The pain is not over. Actually, you have reinstated your ten per cent but yet you have increased pain on the citizens of this country. I do not know how you can do that. It is an act of betrayal. That is what is being said out there. I heard that today, Madam Deputy Speaker. Everything in your Manifesto that you boast about you have now kicked down the road. Someone stood up in front of that great statue of the Right Excellent Errol Walton Barrow and someone said, "If he was here, the Members of the Democratic Labour Party who formed this Government, he would have fired every single one of them."

3.03 p.m.

You have now kicked down the ladder. Madam, someone stood up in front that great statute of the Right Excellent Errol Walton Barrow and someone said if he were here, the members of the Democratic Labour Party who formed this Government that he would have fired every single one of them. He said he would not be associating with the members who formed this Government. The Right Excellent Errol Walton Barrow

one of the nation builders in the country but yet we come to this Honourable Chamber and we are leaders, the people elected us to govern and manage the affairs of this country, collectively and to represent their interest but yet we are not doing that. Well, some of us are not doing that because I am doing it and I know I can speak for the Honourable Members on the Barbados Labour Party. We rub shoulders with the citizens of this country every day, not even every Saturday, every day we rub shoulders, so we understand what is happening in the country. We share their pain, Madam Deputy Speaker, and that is why I will continue to reinforce the point that we do not want no 10 per cent reinstated on our salaries as parliamentarians. We have touched on the Unemployment Fund, we spoke about pensioners, we spoke about reserves, we spoke about several issues as it relates to the National Insurance Scheme. Madam, one of the fundamental issues and the primary mandate of the National Insurance Scheme is to invest in national development. I have heard the Honourable Member for St. Michael North West spoke about national development as it relates to the National Insurance Scheme. The National Insurance Scheme was designed to make a contribution to national development so under the Barbados Labour Party that is why projects like the Barbados Hilton Hotel, the National Insurance Committee saw it fit that we invest in the Barbados Hilton Hotel. Sir, do you know why? It was giving a good rate of return, more than the four per cent, not because any Minister called for an investment in it but, Madam, I will get to that shortly. It came through law by the National Insurance Investment Committee who saw it fit to invest in projects for national building purposes and also to generate a good rate of return and the Barbados Hilton Hotel project was one of those. In addition to the Barbados Hilton Hotel project there was the United Nations Common Residence (3:28...) also. Madam, no Minister called for that, it was recommended by the Investment Committee by law to generate a good rate of return.

Madam Deputy Speaker, do you know that we keep hearing the member who represent the Democratic Labour Party on this matter, and I have to keep referring to the Honourable Member for St. Michael North West. Madam, when we look at Four Seasons....

MADAM DEPUTY SPEAKER vacated the CHAIR and Mr. SPEAKER assumed the CHAIR.

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

Mr. D. SUTHERLAND: Thank you, Mr. Speaker. Let me just recap briefly. Local projects: The National Insurance Fund. When you invest in a project locally with the National Insurance Fund, it should generate a good rate of return and it should focus on national development. I listed two projects the Barbados Hilton Hotel and I also

listed the United Nations Common Premises at Hastings and those are projects that the National Insurance Funds were used for to generate a decent rate of return and those were projects done by the Barbados Labour Party. Sir, I went further to mention the Four Seasons Hotel. I also said that no Minister called for the investment in the Barbados Hilton Hotel but because a wealth rate of return was possible through First Caribbean Bank, who raised the money for this project, that was why we as a Government them under the Right Honourable Member for St. Peter allowed that project to come to fruition because it generated a good rate of return and it focused on national development, and the United Nations Common Premises in Hastings as well but, Sir, not Four Seasons Hotel. The Four Seasons Hotel was not recommended by the Investment Committee. It was not recommended as a project to invest in but the Democratic Labour Party did that though because the then Minister called for it. Sir, these are some of the things the Democratic Labour Party would have done and it did not generate the rate of return like the other projects that the Barbados Labour Party invested in. I do not think it generated any major rate of return. Sir, these are some of the issues that we have to discuss in this Lower Chamber with respect to the National Insurance Fund. I would like the Honourable Member for St. Michael North West in his wrap-up to let us know how the investment in the Four Seasons Hotel went as it relate to the National Insurance Fund, what rate of return was generated and if it was recommended by the Investment Committee by law. Sir, it was not and these are some of the challenges we have today with the National Insurance Fund because the Minister would not allow the people who have been placed in authority to manage the fund and look for investment. He keeps saying that we cannot invest overseas so he is the law unto himself but yet we have the director of the National Insurance Scheme saying that too much of the National Insurance Fund are tied up in Government paper. Sir, these are some of the issues and this Government has a lot to answer for to the citizens of this country. The ills that would have been inflicted on this country not just to the National Insurance Scheme but to other areas. They have no regard for the trade unions in the country, no regard whatsoever and it has been shown. I spoke to that in this Chamber several time over the past two years. There is no regards whatsoever for the trade union movement in the country. We know why the trade union movement was formed in the country. It was formed out of the bosom of the Barbados Labour Party at the time because they saw the need to fight for the workers right to improve the conditions of workers and these are some of the issues that they are still fighting for but yet this Democratic Labour Party sees it fit to ignore all of the foundations that their forefathers would have built that great party on because we have to say that Party was a great Party but not anymore not with the bunch of men over there. The Democratic Labour Party is a shadow of itself over the past nine years. It is a fact and the whole country knows that.

Mr. Speaker, the obligation of the National Insurance Scheme is to the people of this country. I want to pause at this time to thank the trade union movement for representing the people of this country so forcibly and to tell them to stay their ground and do not be phased or dismayed by the threats of the Government. Stay your ground, trade union. You are doing a good job at representing the rights of the workers.

Sequence 20

Mr. Speaker, the Government of this country is performing the role of a trustee on behalf of the people of this country and you must take that responsibility seriously. Treat with the National Insurance money as the people's money and not your money. You have to be more prudent, you have to exercise a duty of care in using the National Insurance money. The Right Honourable Member for St. Michael South, you are the leader of the pack, the duty of care, prudence, you must exercise. I would let you know that I did corporate governance as well.

Mr. SPEAKER: Honourable Member, now that you have finished your thought. I did not want to break your stride but I do not appreciate the use of the term "that pack of men over there" so just withdraw it and let us move on.

Mr. D. G. SUTHERLAND: Withdrawn, Mr. Speaker. During my presentation I have sought to respect the Right Honourable Member during my comments. I know, Mr. Speaker, he cannot say that during my time here in this debate that I would have disrespected him in my comments, the Right Honourable Member for St. Michael South.

Asides.

Mr. D. G. SUTHERLAND: Thank you, thank you. He said that I was inoffensive.

I said Government should exercise a duty of care, Mr. Speaker, in treating with the National Insurance money. You are trustees, you are holding the people's money and we know that if we continue along this trend it would become bankrupt and reform would be necessary with the National Insurance Scheme so we have to make sure that when the Honourable Member for The City of Bridgetown reach his twilight years he can receive that pension. We have to make sure that when the Honourable Member for St. Michael South Central reaches that twilight year shortly he is eligible for his pension also and he can receive his, likewise the Honourable Member for St. James North in his twilight years. We all want to live until we reach retirement and spend time with our family and do things to support the citizens of this country if we are not politicians even if we are not politicians, we must be good citizens of this country but we must ensure that our social

security system is managed properly. Mr. Speaker, I am calling on the Right Honourable Member for St. Michael South, you are the leader of the Democratic Labour Party (DLP), exercise some leadership, bring some order to most of the issues as it relates to the Governance of this country whether it is through the Minister of Finance, the Minister of Health, the Minister of Education because he needs guidance, all of these statements that he makes, the Honourable Member for Christ Church East Central. Every day he makes some statement, every day. Mr. Speaker, I am asking that the Right Honourable Member assert yourself and do not allow those Members to continue to disrespect you, display leadership and bring some respectability back to the National Insurance Scheme.

I thank you.

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

Hon. R. L. SEALY: Mr. Speaker, I rise to support this amendment. I also support the sentiments expressed in the speech by the Honourable Member for St. Michael North West. He spent the morning period explaining where we are exactly with respect to the National Insurance Scheme for various funds that make up the Scheme and, of course, where we are going. The Member that just took his seat, of course, as one said, wandered from pillar to post, meandered all over the place, speaking on behalf of the Opposition. Is he supporting the amendment or not? Did he say by any chance? I was not sure what the position of the Barbados Labour Party (BLP) is. I would have thought that since we were discussing an amendment to one of the most significant pieces of social engineering this Parliament has ever passed,... This is a serious debate, a very serious debate and I do not know what the position is of the Barbados Labour Party (BLP) but that is fine.

Asides.

Hon. R. L. SEALY: I will carry on and in that note, I will say the Barbados Labour Party (BLP) formed this Government on three occasions just prior to 1961, from 1976 to 1986 and from 2004 to 2008 and I would challenge any Member to get up on their feet and state anything they did that compared in terms of its impact on the population of Barbados as this piece of legislation. I challenge them and I am saying that they cannot because it does not exist. In that regard, let me take this opportunity to because it is important and I will get to the amendment but I think the backdrop is important because last month, 50 years ago some very audacious, young men and women decided that Barbados should have something that is the preserved of developed countries, that is a social security scheme. These bold leaders decided that we would have the National Insurance and Social Security Act and that is where we are today. Fifty years of excellent work. To this day there are

countries in the Caribbean that do not have what we have and certainly do not have it in the way that we have it, for example, the Unemployment and Benefit Scheme that we saw savaged in here does not exist anywhere else in the Caribbean except The Bahamas and they only put one in place in 2009. We, I think, have to give pause and salute all of those individuals who would have worked hard to see that National Insurance Scheme became a reality 50 years ago and it was a creature of the Democratic Labour Party (DLP) Government but we are magnanimous enough to give credit to the Barbados Workers' Union and other trade union movements. The building where their headquarters now bears the name, of course, of the first General Secretary, the late Sir Frank Walcott, a big proponent of this type of effort and it is known that the International Labour Organisation,...

Asides.

Hon. R. L. SEALY: He was not the first that is a fact, Sir Hugh Springer. I stand corrected. Sir Hugh had a brief stint before Sir Frank, that is a fact, 10 years and Sir Frank had an extended run.

I make the point however that there were other persons as well. There were consultants, of course, the first director who the annex is named after, Humphrey Walcott, and we again commend everyone for making it a reality. The Fund, of course, is the Democratic Labour Party's creature and there is no way any Democratic Labour Party (DLP) Government is going to sit and be lectured by anyone about preserving the health and wellbeing of this Fund. Let us understand that and put in context perhaps what we heard in here just now and what we might hear in here later on this evening, I do not know. We are going to do whatever is necessary in order to see that the National Insurance Scheme remains a reality and provides for the social security of our aging and those who may become infirmed, et cetera, and of course, the short term benefits related to sickness and so on. We have to get that clear. As it stands right now 123 000 are ensured under the Scheme. That is a very large number and you cannot find any household that has not been impacted by this Scheme and once again I have to salute all of those who have made that a reality and the National Insurance Scheme work hard. They have a mission statement, Mr. Speaker, which I think is very appropriate because it says it all in a very succinct manner. The department's mission is to provide timely social security services ...

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Hon. R. L. SEALY: ... mission statement, Mr. Speaker, which I think is very appropriate because it says it all in a very succinct manner. The department's mission is to provide timely social security services through the efficient collection and management of funds by a highly motivated caring and reliable customer oriented staff and they achieve. I think that they need to hear from this Chamber that they are appreciated and that they are doing hard work. They do not need to hear the place is going to be bankrupt in another couple of years because that is not true to begin with and it can be demotivating. These people are working very hard. Yes, they have been some issues, invested heavily in a computer network that had some challenges, there were hitches and so on. We do not delight in hearing pensioners are getting their cheques a bit late and so on but we have to obviously invest in the necessary technology to manage and ever growing base of beneficiaries and I think therefore that has to be taken into its context. It is a well-run organisation offering a comprehensive range of different services. There is, of course, severance, the unemployment benefit which was alluded to early and, of course, more recently we have seen a catastrophe fund as that has come on stream so this is a remarkable organisation. The sugar workers providence fund, of course, they took over that a few years ago and there are not too many beneficiaries of that these day but that, in itself, still shows again a sense of compassion. Could you imagine spending your entire life working in the sugar cane industry, cutting cane, et cetera, not even to get a little help with a funeral grant but that is the type of compassion that would have been a part of ensuring that this thing was a reality?

The reality of social security schemes worldwide in the developed and the developing world, the great United States of America (USA) is having a huge debate or constantly, rather, whether it is at the Presidential level every four years when they elect a President or, in fact, routinely when they are having the legislative elections and so on this constant debate about social security happens up there as well. Medicare which is their programme that is a health insurance thing for persons over the age of 65. There is always this huge debate about to fund or not to fund, what role should the State play in this whole exercise. The concept or the idea of reforming our social security scheme is nothing new. I agree with the Honourable Member for St. George South in that regard. He spoke about the last Government reforming the National Insurance as if it was some great thing they did. What they did is the reality. All social security funds go bankrupt at some point in time if you do not make the necessary adjustments. You have to look at the age of the population base, yes, you have to look at the birth rate; you have to look at all of these things. You have to make adjustments.

In 2006 when the Owen Arthur Administration made the changes increasing the age of pension do you think they

did it because they wanted to? They did it in 2006, I remember very well. I was sitting in opposition at the time and that reform was done. The Honourable Member tells half of the story but the retirement age increases by six months every four years. January 1, 2006 it was increase by six months every four years until this year 2018 and he made heavy weather of the fact that they adjusted it on both ends so that you can retire early at 60 but you did not mention the fact that if you did retire early you would lose. Your pension benefit would be reduced by a half per cent each year. Tell the whole story and what I am saying it is a reality that we have to protect and preserve our National Insurance Fund by making difficult decisions. You have to tell the full story. I am not getting into the politicking end of the presentation there will be a place for that. He wants to talk about who on This Side, how they feel about the Leader of this party but we will hear a lot about how some of them feel about their Leader. Nobody in here have filled a writ in any Court about any Leader. Nobody out here swore that anybody carried away any money or anything like that. You take it easy and you wait until the platform. Platform time will come and I do not need any protection of Parliament to say what I have to say. He can only say that in here. He cannot go out there and say, you do not worry. A time will come because the Barbados Labour Party (BLP), I like where they are. Leave them right where they are, do not worry, Mr. Speaker. Time will tell on that regard. We do not have to worry about that, the National Insurance Scheme is in good hands. The actuarial review is about to be released, the 15th one and the truth is, as we have heard, there is nothing for us to get bothered about in this actuarial review. It is the same issue, the issue that we confront is the issue that the Right Honourable Member for St. Peter confronted and for that matter, the former Honourable Member for St. Michael South, Sir Lloyd, his Administration would have confronted it. Barbados is aging therefore the working base that has to provide benefits for our senior citizens is shrinking relative to those and it means that we have to make some difficult decisions as well. We do not want to adjust the rates beyond where they had to be but the truth is, at some point and time, National Insurance rates will probably have to be looked at as well. It is the reality. We would have to deal with the retirement age issue and make adjustments there but if you are going to make sure that the Fund remains viable then you have to be prepared to make these decisions.

On the issue of making difficult decisions as well, I wanted to also speak really and truly, through you, Mr. Speaker, to the nation. I am not responding necessarily to what we heard from the Opposition in here today but this question of the Government being accused of "misusing NIS funds". When Government is in need of funds to pay wages and salaries to public servants to meet basic needs as a Government, we get those funds from the largest financial institution in Barbados and they do not come for free. We pay a premium for it so it is not to say that we are

unaware or insensitive to the importance of these funds in terms of securing our population when they come to their elderly years. It is understood, we realise it is not a sustainable practice and that is why we have had to make the fiscal adjustments that we have found necessary and that was expressly stated. If I am understanding that you are opposed to every fiscal adjustment measure that has ever been proposed in Christendom there is nothing you can propose by way of raising revenue or cutting expenditure that you support but at the same time, you do not want us to borrow from the National Insurance or for that matter the Central Bank of Barbados, what is it you want to do? It is a simple question. You cannot have it both ways. Indeed, we have taken the decision, it is because this Democratic Labour Party (DLP) understands that we are responsible for something that our antecedents started 50 years ago that we have to protect and it does mean making difficult decisions. This is the point, you cannot just always mouth off. As I said, I was a part of the Opposition in 2006 as was the Honourable Member for Christ Church East Central, the Honourable Member for St. Philip North, I even think he was the Shadow Minister of Labour at the time, the Honourable Member for St. Lucy, of course, was a member of that Opposition, the Honourable Member for Christ Church East was in the Other Place.

House D 14 Seq 22 3.32 p.m.

We did not oppose increasing the retirement age, even though a lot of people felt that we should have opposed it only for opposing sake, because it was “unpopular”. Do you want people to work until they were about to die? Ma’am, it was not that, it is that you must understand that there is something called being responsible once you ascend those stairs, whether you swing to the left or to the right, Mr. Speaker, you can be in Opposition and can still be constructive and useful in your criticism and not merely just take positions because you are trying to court popularity, or let us be blunt, because it is about vote grabbing and naked vote grabbing. Mr. Speaker, I will tell you something, people are thinking and you have to answer those questions and I know how it is, so that we did not oppose the reforms of 2006 because even though one could have argued that they were unpopular in some quarters, they were necessary in order to preserve the whole viability of the Fund going forward.

Mr. Speaker, in that regard, I think we have been very clear that we protect what we hold in trust. We are very happy to see that the Fund has got to this point and that it is still in good shape, that does not mean that measures have to be taken along the way but I am confident and I am not worried about when I get to retirement age, the Funds will be there and will be very well-placed but not only me but even generations yet to come. I think the next 50 years from now when the Fund is celebrating its 100th anniversary it will still be in good

shape once we have people who are prepared to make the right decisions even if they may appear to be unpopular.

Mr. Speaker, one of the areas which I think we need to do some work on, and I believe that we can all agree on this, I would hate to think that there would be any divide on the fact that you have a base of 20 000 people out there who are self-employed and out of that base of 20 000 people only 3 500 are contributing or participating to the Fund, while the self-employed cohort that is avoiding the Fund are the ones that we really need to get after and see what we can do, that too can help to improve the whole viability of the Fund because clearly as you increase your base... Mr. Speaker, many of these people are well-paid in those chosen endeavours. We are talking about tilers, bodywork men, we are talking about people who are self-employed in their various fields of endeavour who are handsomely remunerated and therefore there is no reason they should not participate in the Fund.

Mr. Speaker, having said that, I also agree, and I think the Honourable Member for St. Michael North West alluded to this, as we look forward to the next 50 years we have to see how we could engage with the private sector providers, much of what the National Insurance Scheme offers. I do not support handing over everything to the private sector because as the Honourable Member has pointed out, there have been some horror stories in that

regard. I think that the Government has a responsibility to preserve the National Insurance Scheme and should do so always.

Mr. Speaker, I think that, frankly speaking, I am proud of what this scheme has meant to this country, what it has done for so many of its citizens and I would want to urge all Honourable Members... I am not saying that you have to agree with everything but there is a way to go about this business of opposing. Mr. Speaker, comparing us to St. Lucia and St. Vincent, these are provident funds that have only recently been become National Insurance Funds as well. There has what used to be called Provident Fund and so no, now the National Insurance Fund. I can speak certainly to St. Vincent and St. Lucia in that regard. Yes, they are coming on strong, they are not 50 years old in either case but I do not think that you can look at what they are doing and at what we are doing. I think in the case of St. Lucia you pay 5 per cent of your salary towards National Insurance Scheme. I think St. Vincent is probably around that figure. You cannot compare apples with cumquats and I think it is dangerous business. We must recognise that the scheme has done very well, that Barbadians have benefited.

Mr. Speaker, once again I would want to reiterate that this Government is conscious of the remarkable work that has been done from a very shaky start in 1967 to \$5

billion in assets in 2017. Mr. Speaker, this is the largest single financial institution in Barbados, it is well-run, it is responsibly run and I am not at all going to associate myself with any notion that the Government is mismanaging the investment portfolio. Mr. Speaker, the National Insurance Board functions independently and they are able to do what they have to do and I think that they do a very good job. The legislation does allow the Minister of Finance and Economic Affairs to be involved in some of these decisions but we are conscious and cognizant of what we have to do to preserve this Fund and we will continue to do that.

Mr. Speaker, I think, for example, something that we do not talk about, I heard that the Unemployment Fund is being abused. The decision to transfer \$10 million from that Fund to set up the National Insurance Retraining Fund was again an artful piece of State craft on the part of this Democratic Labour Party Government. Mr. Speaker, we recognised that because of the global situation that you were going to see a spike in unemployment, so why not retrain people so that they can employ themselves or can make themselves become more employable by increasing their skills base.

Mr. Speaker, let us think about if something like that was done during the time of plenty. We are not going to hear about that but the truth is, we had to do that when things were tight. Mr. Speaker, we are going to hear about the foreign exchange that you earned back when the world was going through its halcyon times where every single North Atlantic country was growing at record levels, where everybody was investing all over the place. Mr. Speaker, right now there are people taking money out of the banking sector in certain North Atlantic countries and putting that money under their beds, because the interest rate is so appalling? It is a different period, you cannot make that kind of comparison without understanding the reality and I think therefore that some of what we heard in here reflects a level of immaturity, one might suggest, but it is clearly a case of opposition for the sake of opposition. We appreciate and treasure what we have as a Government in the form of the National Insurance Scheme and let the word go forward from here that we will do whatever it takes to make sure that whoever succeeds, our successors down the road, 50 years from now will be able to speak about what happened in 1967 and what is happening in 2017 to preserve what happened in 1967, that it can continue for generations to come.

Mr. Speaker, with those few words I say once again that I do support this effort by the Honourable Member for St. Michael North West in making adjustments that are sensitive to our realities, to the cash flow realities of the times, and allowing people to come and make arrangements in order that they can be up to date, in order that they can protect and preserve their own future security

as well, and of course to send some positive signals out there in order that people can start to buy-in to the importance of saving, of being prudent, and of course ensuring that you have something to look forward to when you get into your evening years. Mr. Speaker, I completely and totally associate myself with these amendments and would once again want to commend the Honourable Member for St. Michael North West for his contribution earlier.

3.54 p.m.

I am obliged to you.

MR. SPEAKER: I am obliged. The Honourable Member for St. Lucy.

Hon. D.St.E. KELLMAN: Mr. Speaker, I rise to speak on this Head but before I do that, I think it is only fitting that this House should offer sympathy to the former Director of Public Prosecutions, and I believe that I can do this on behalf of both sides of the House. I want to say that the National Insurance Fund is one of those funds that we should give credit to, and we should thank the movers who saw it fit in June of 1967 to establish the Fund. It is now over 50 years that this Fund has been established, and it is the single most important investment that this country can depend on. Those persons who speak about the National Insurance Fund and see it as a negative when the funds are used to be invested in Country Barbados do not appreciate the quality of management which has been given to that decision. I keep saying in this House and I continue to make the point over and over: Until people understand the opportunity cost of doing things, you would get these types of statements. I want to congratulate the Minister of Finance for the brilliant speech which he gave prior to lunch, but it is very regrettable that we had to tolerate the one which came after lunch.

Asides.

Hon. D.St.E. KELLMAN: When one listens to the contributions between the two, it is clear that one understood the importance of the opportunity cost, why you have to measure these things and why you have to look at all other decisions to maximise the returns of what you have to do. Mr. Speaker, it is no doubt that when you have money to invest, you have to look at all possible decisions to be made. I keep making the point that those persons, who continue to ask Barbados to take the funds of the people of Barbados to employ other persons, really need to go and ask themselves if they are really making a wise decision when they ask the Investment Committee to take Barbados money overseas and lose money on it to employ other people instead of keeping people in Barbados employed so that they could continue making a contribution of 21.35 per cent of every dollar to the

National Insurance Fund. Yet, people would tell me not to invest that money in Barbados to create work or to save jobs, but to take that money and send it overseas to employ other people and drag down my country.

Mr. Speaker, it tells me that those persons who make these statements are ignorant of managing anything. Sometimes people will ask me why Country Barbados is in this state. It is because for 14 years they did not understand how to invest money properly; and because they did not invest it properly, the National Insurance Fund did not grow as fast as it is now growing. If this Government of Barbados did not invest the money in Country Barbados, we would have no country and we would have no National Insurance Fund; for the simple reason that right now NIS is getting about nearly five per cent clear because it is investing in Barbados through the Government. Not only is it getting five per cent clear, but it is also getting a contribution from each worker in the private sector of 21.35 per cent. Anybody who can think and use their brain would know that instead of National Insurance taking the money and sending it overseas, the Investment Committee and those who have to deal with these matters should be looking to see what new projects they can help finance in Barbados. I am calling on the National Insurance committee now that we are going to the renewable sector and people are saying how many jobs can be created. I have said long in this House, and people can go and research it, when the Barbados Light & Power was saying that they could only do 29 per cent of the renewable energy and so on, I always made the point that it could be true and that we could do a lot more. I am calling on the National Insurance Board now to be the leader to help Barbados Light & Power remove itself further from the fossil fuel usage and help us to create jobs in the renewable energy sector so that they can get a larger return. Most of those jobs will be in the private sector; so that the money which the workers will be earning will be giving the NIS a return of 21.35 per cent on every new job created. On top of that, they will also get a return on their investment otherwise.

Mr. Speaker, when I speak about opportunity cost that is what I am talking about; the other options. What you hear is a gentleman speaking for nearly an hour and giving the impression that we are depriving the National Insurance Fund of money when the evidence is clear that whenever the Fund gets money from the Government of Barbados, its profit-and-loss account looks better. Let me say another thing as well. We in this Parliament need to stop talking about deficits and start talking about profits and losses. Do you know why? When you speak about a deficit, you speak as if you can just take money and throw at the problem. When you speak about profits and losses, it means that when you are losing money you either have to increase your revenue or decrease your expenditure. That is why you would find that there is a big difference between the Barbados Labour Party and the Democratic Labour Party,

because we understand the difference between a profit-and-loss and a deficit. They are still at the stage of receipts and payments. Even though they brought the accrual system to this House, they are still discussing receipts and payments. That is why they are always talking about deficits and not about profits and losses. They go and mislead some people out there. I am hearing from some people that you should not increase revenue, but yet still even though you are making losses, they expect you to increase expenditure. That is the big argument in Barbados today; that is the reason for the fuss in Barbados today. Do not increase revenue but increase expenditure by giving me a little "tralya". How can you reduce a loss by cutting revenue and increasing expenditure? Can you explain that to me? How can you ask me to protect you when you do not want me to increase revenue but you want me to increase expenditure? I heard that same argument from the Opposition today. All they are asking us is to put the country into a deeper negative position; because if you ask me not to increase revenue but to increase expenditure, you are asking me to increase losses more quickly. The country is already in trouble.

Mr. Speaker, what we have done is reverse that through the last Budget, and we are now trying to ensure that we reduce the losses and at least create something so that we can have money to create productive projects in order to generate and increase the revenue and be able to look after the trade union movement. We can only look after the trade union movement if we have increases in revenue, and that is why the National Insurance Fund can help us by investing in those projects which can create profits and which can create work.

3.51 p.m.

Mr. Speaker, I hope everyone understands what I am saying because the simple reason the argument that is being put by the Barbados Labour Party as it relates to the National Insurance Fund cannot grant the ground, and it cannot even stand the logic of the words coming out. Sir, sometimes I ask myself if the Honourable Member for St. George South if he going to go and read the speech that he delivered in here today because it seems to connect to a speech I hear otherwise and when I try to find the logic in the speeches I cannot find it because even an elementary school child will tell them that assets equal liabilities and the liabilities are greater than the assets that you have to increase the revenue so that you would be able to balance the two but they are asking you to decrease your assets and increase your liabilities. Mr. Speaker, pray tell, where are we going with these argument.

Mr. Speaker, I am happy that at least the National Insurance Fund understood the importance for the last 50 years have grown the revenues and that is why threw re able to grow the revenue as far back as 1967 when they

only had \$2.495 million. Sir, 2000, it went to \$1.2 billion but in 2016, as much as they talk, the fund is now \$4.6 billion, which is \$2.4 billion more and yet you would get the impression is to be frowned upon when everybody can see from the statistics that this Government is actually increasing the fund. I want to thank the managers but I also want them to know that the concentration at this time for scarce capital has to be based on localization and not globalisation because country counts first. They have to look after the people of Barbados first and I am totally against the charge and the support that is being given by the Barbados Labour Party when they asked the Fund managers to take the hard earned cash of Barbados and take it overseas to employ other people and there I return and refuse to employ local people where they are getting a return. Sir, that is the argument. They are saying that we should not look after the workers of Barbados but to look after the workers overseas. Sir, when you take the money overseas then there will be investment to prop up other companies but at the same time it will leave countries in Barbados struggling who want the same finance. Sir, what is worse as you saw from the figures based on the international markets there is a negative return but on the Barbadian market there is positive return for Barbados but yet still the Opposition and their satellites are telling people that we are destroying the National Insurance Fund. Sir, that is why I keep making this point that I want to see a comparative analyze by the National Insurance Scheme showing us what would have happened if the Government did not borrow the money from National Insurance Scheme and if the Government had taken that money and send it overseas. I want to see the analysis because I will tell you that if the Government did not borrow from the National Insurance Scheme, the fund would not be at \$4.6 billion, it would probably be at \$3 billion now because, as you know, the interest charge helps to build up the reserves in the National Insurance Fund. Sir, those people who do not understand these things should really keep away from them and stop misleading the public. What worries me is how the Opposition can believe they can mislead the public after that same public has been given 15 years of free secondary education plus tertiary education. Sir, it is an insult to the educational system to come and tell a man that he should not feed himself but he should feed somebody else when he has money in his pocket and that he should starve while he supports somebody else to live. Sir, that is basically what they are asking us to do, starve out ourselves and feed somebody overseas. Sir, that is the crux of the matter. We have to understand that we did not set aside this Fund to develop anybody else country. The Fund was set up on behalf of the people of Barbados who happen to be the people of the country and the country is the people. Sir, no, you do not get that from the Opposition, what you get is that there is a separation between country and people and that the people overseas are more important than the people living in Barbados. Sir, I want to say no, that the money

belongs to Barbadians and that it should be spent on Barbadians.

Mr. Speaker, do you know the amazing thing? These are the same people who will come and tell you what happened in England and what happened in Singapore. When you go and check what happened there, it happens they take the money and invest in capital projects to build-out the country and to look after the people but, Sir, they do not tell you that. They would come in here and give the impression that we do not have sense enough to look after our own people but we should take the money and go and look after other people.

Mr. Speaker, it is an insult to the young people in the country and it is an insult to everybody that has free secondary education and those who did not want it and then they say they want to be the alternative Government when they give you a recipe that will not only destroy the National Insurance Scheme Fund but that would also destroy the country.

Mr. Speaker, if you are telling me that the amount in the National Insurance Fund belong to country Barbados and it is the only institution that we can call ours. We cannot call the banks ours but we have that. Sir, I have been in here long enough to see when the Government took money from the Consolidated Fund and put in the National Insurance Fund. You tell me that when things are bad that the National Insurance Fund does not have an obligation to the Government, that the Government must only have an obligation to the Fund and that the Government must have an obligation to people outside and cannot have an obligation to their own people. Sir, am I expecting to believe that 280 000 would believe in this. Sir, no way because I know the people of Barbados understand that whenever there is a crisis that there is an expectation that they have to make a contribution. Sir, if they do not have what it takes to make a contribution I know that they know that the National Insurance Fund belongs to them and that it belongs to country Barbados and that there is no better person to spend that money on by yourself.

Mr. Speaker, I have listened to people telling me do not prop up Barbados but to prop another country by taking our money and sending it overseas to look after other workers who are suffering and leave our own. Sir, it has gotten so bad that we now even find ourselves with a collection between \$9 billion to \$13 billion in the banking system. Sir, when last I checked I am told that the saving rate is .01 per cent. It used to be .015 but they dropped off the 5 and it only .01 per cent now. Sir, inflation is supposed to be 3.5 per cent I am told which means that every person who has money in the bank is losing is using 3.14 per cent so right now whenever you put a dollar in the bank, you are losing 3.14 cents in that dollar, so actually there is nothing called savings in the bank anymore because from the time

you take the money and put it in the bank you are only have 96.86 cents in that dollars because when you look at the opportunity cost of the money that is what is occurring.

Mr. Speaker, you would hear people refusing to get involved in capital projects where they stand to gain on their investment and where they stand to have a return on their investment.

Sequence 25

This National Insurance Fund is the fund that belongs to the people and the country Barbados belongs to the people. There is no difference between the National Insurance Fund and country Barbados. It is just saying we have water and cannot drink the water, we should sell all of the water and die of thirst. Mr. Speaker, I want to plead guilty because, in a sense, under my management at NHC I might have help deprive the National Insurance Scheme of a couple cents because in 1994, NHC employed 353 people. In 2008, the employed 525 people. In 2013, they employed 648 people and we had to cut it because of the austerity measures and so on. In 2016, they were 324 people. That was the staff compliment and in 2017, it is 318 people. Do not mind the talk that you heard on the floor of the House and all over Barbados that actually the number of workers at NHC under my watch actually decreased by 6 people so when the impression was given that I have employed more people since the cut, it is not true. Actually I have deprived the National Insurance Scheme of six contributions but the National Insurance considering that we have a lot of land to develop, what they should be doing is sitting down and discussing with us how they can help us develop this land to help create work in Barbados so that they can get a return not only on their investment but also a return of 21.35 per cent on every dollar in that job that is created. It is not only for Government or the private sector to create work because the greatest beneficiary when work is created is the National Insurance Department. They are the ones that are guaranteed a return of 21.35 per cent of every dollar earned by workers. Those persons who do not understand this is where we need the debate, come and debate it. Come and challenge me on what I am saying.

Another thing that the National Insurance Department needs to do is to ensure that the people who are leaving the university and leaving the secondary school, instead of them having an opportunity to remain home, they get them on the productive line as fast as possible for the simple reason everybody in here knows that the young people are excited about work and the production level is higher at that end when they first enter the job market than when they become accustomed to the job market so we cannot afford to delay our workers from getting to the job market and I believe that the National Insurance Department has an obligation in ensuring that the job

market is well taken care of and I would like to see the National Insurance Department enter into an arrangement with the University of the West Indies (UWI) and ensuring that they educate people to a job and not a degree even though you would end up with a degree but you would know that when you finish that degree that there is a job waiting for you. I believe that there should be some relationship based on the statistics that I have given you about the return of 21.35 per cent of every insurable dollar earn that the National Insurance Department receives that they have an obligation to ensure that more people have insurable earns because it is in their interest to increase their revenues. I look forward to seeing that occur and I hope that will soon be implemented and it would not be ignored but in these economic times I do not want to hear about investments overseas. I want to hear about investments in Barbados. I want to see the National Insurance going around Barbados and looking to see where they can expand the productive sectors to create jobs that will be sustainable not only to the industry that they want to help but be sustainable to them because they are the greatest beneficiaries when it comes to the contributions from new jobs being created and even the thought of saving jobs, they have an interest also in saving jobs because when they save a job they are saving 23.35 per cent of that dollar the person is working for in ensuring that they remain on the job market because whenever that persons loses that job, instead of them receiving the 21.35 per cent, they have to pay out unemployment benefits so it is in their interest to keep people on the job market. That is what they should be concentrating on, not studying the overseas markets, study the local market because that is where your gains are greater and are the greatest because you have many options, more than two, so you need to look at the opportunity cost. I do not want anybody to believe that I am chastising the National Insurance Department, I am just offering them some alternatives and I am just clarifying what people out there are saying, what people out there who are misleading people about and sometimes you know if you hear things too often, a lot of people tend to believe it is true and they follow pattern. I know that the National Insurance Board is a good Board, they have some bright people who understand what I am talking and I know that sometimes they might get some push back but they may stand strong and produce the statistics to demonstrate that what they are arguing is correct and those persons who want to push the political button you must ignore them. One thing I will tell you as I have just demonstrated, figures do not lie and if someone tries to lie with figures with a year's time you know that they are telling lies with the figures because it is normally a yearly cycle. An assumption with figures brings and actual and we operate on a yearly cycle so if you tell a lie today it will be shown up within a 12 month period, the maximum. People have to understand you can try to lie with words but you cannot do it with figures that is why when people make charges of

me, I do not say anything. I allow them to fly but I actually know that sooner or later I will bring the statistics to prove.

Mr. SPEAKER: Honourable Member, you have four minutes in which to bring your statistics.

Hon. D. St.E. KELLMAN: I want to say that it is good to see that 116 000 people ... What worries me is that 116 000 of the population are insured and I heard a Member of the Opposition today encouraging people not to look after their future and that is regrettable because we have to find a way to encourage people and make it softer for them. In other words, I do not believe that these persons should have to leave a day's work to go and find where to correct the ??? as it relates to unemployed people. As we are developing Town centres, if you go back to the debate as far as 1994 when we were discussing the RDC and so on in this House, you would see that I would have suggested that we need to put in certain Government offices around Barbados a person to work in that office that has the capacity to solve the problems. They may be multitasked but they will do the collections to ensure that the people would not have to leave their jobs to go off the production line to go and do something else when they least can afford to do it. We have to find ways to make it easier for these people to understand that the importance of National Insurance and that they need it in their latter years. One of the things I will tell you is I have seen a lot of people who are now understanding the importance of National Insurance especially now that there is nothing called the old age pension anymore. For the simple reason previously, they felt that they had the old age pension to fall back on but now they know that they have 540 contributions to be made and they are now more educated about it and to think what National Insurance needs to do is to go around Barbados holding Town Hall meetings and educating more people that there is nothing called old age pension and that it is being phased out and seeing that it is being phased out they have an obligation to protect themselves and to ensure they make these contributions so at least, if they have in the 540 contributions they will at least get a minimum pension.

House D 14 Seq 26 4.11 p.m.

Mr. Speaker, I want to congratulate the workers, the Board and the Minister for the wonderful work that the Honourable Member has been doing. I can understand what the Honourable Member for St. George South would have made the speech he made because when he saw the figures he could not believe that under her watch she would have been able to increase it to \$4.6 billion in what they call these hard times when in 2000 in the glory times the investment fund was only \$1.2 million but the Honourable Member was able to increase it between that period along with others to \$3.4 billion. That is what was annoying the Honourable Member because he could not understand why they could not do it in good times but we could increase the

investment fund by \$3.4 billion between 2000 and 2016. Mr. Speaker, we have a healthy fund and I will tell you, Sir, it could have been better had they followed the advice I gave them as far back as 2000 and even before. If they had followed it they would have been more capital projects, more people working and the contribution to the Fund would have increased because of the number of people working and we would have had a better fund.

Mr. Speaker, I thank you and I want to tell the workers of Barbados that once we continue to have productive projects instead of keeping the money in the bank, instead of sending the money overseas, we would get more people employed and the only way to increase this fund is by people being employed in this country. I thank you very much, Sir.

Mr. SPEAKER: The Honourable Member for St. James Central.

Mr. K. D. SYMMONDS: Mr. Speaker, I am grateful for the opportunity to make a contribution to this debate and I think, Sir, it is perhaps important having listened to the wild and whirling words that have come from the Other Side to try to bring us back to some semblance of reason on what is really a very important issue that I will agree, cries out, in fact, it demands serious discussion and analysis in Barbados. This Parliament is perhaps best placed to begin this national discussion. I think if there is anything the Honourable Member for St. Lucy said that is absolutely correct is that perhaps the time has come for the National Insurance Board to take a decision that this issue of National Insurance in Barbados must be carried to every street corner, every highway and byway of the land so that it becomes a matter about which every Barbadian is more conversant.

When I sat in the Other Place, Mr. Speaker, immediately in the aftermath of 2008, a debate came up over there, obviously it is a matter of record in Hansard and I was moved to speak to one of my colleagues on This Side and make the point that when you have been on the precincts of this House for as long as I have now and that is just approximately 15 years, you, Sir, hear debate from Both Sides and unfortunately, with regard to this National Insurance issue the debate has not changed in terms of its substance. The Government instinctively almost by a knee-jerk reaction takes the position that it is not true that the Fund is under threat. The Fund is properly managed, the Board of Directors are a good set of people, the Minister is doing the best she can, the circumstances are difficult, and the reality is, Mr. Speaker, is that nobody is seeking to disparage the Board of the NIS, nobody is seeking to disparage the Minister, it is clear that the Minister is obviously the Minister's competence can be called into question but a blind man on a trotting horse could do that for you. The reality is, Mr. Speaker, that Government need

not be overly defensive about the matter because statistically the issues are there for all who care to read to see.

Mr. Speaker, I believe it is correct to say there is a 15th Actuarial Review done with respect to the National Insurance Board of Barbados. A company by the name of Morneau and Chappell, as I understood it, did that review. I believe it is also correct to say that the findings of that review have not been made public and certainly have not been laid in this House. I presume that they are within the domain of the Minister and Members of the Cabinet. If that is not so then, Sir, the substance of it is something that the Members of Cabinet should urgently associate and acquaint themselves with. It was a three-year review, as I understood it, Mr. Speaker, and there are a few things that I want to raise because the 14th Actuary Review which obviously preceded it and indeed this 15th Actuary Review as I am understanding it speak to issues which are markedly similar and without wanting to make this a tribal partisan political debate, which I think is the worst possible approach to be taken, and let me say at this point that I pause only to hail and to recognise the very excellent and very mature and learned contribution that came from the Honourable Member for St. George South. It was interesting to note that characteristically there was a lot of heckling and so on at the beginning. By the time the Honourable Member got into his tribe and started to speak in a developmental way about the 14th Actuarial Review and indeed the 15th and some of the legitimate concerns that face this country, the Opposite side remained silent. It is important and instructive, Sir, to observe that these ...

Asides.

Mr. K. D. SYMMONDS: Let me speak. Whatever I have I will share with the Right Honourable Prime Minister. In any way that I can assist the Right Honourable Prime Minister in deepening his acquaintance with that which is taking place in the land that he leads, I will do. I want to remind the Right Honourable Member that if he had come to me about the CLICO Report I would have shared that with him. I want to remind the Right Honourable Member, Sir, that, in fact, there are too many. There is a plethora of them therefore I will withhold nothing from the Right Honourable Prime Minister. I want the leader of the land to be as acquainted with the issues as I am.

Mr. Speaker, it is true to say that both the 14th and the 15th Actuarial Review the concern raised was that the number of NIS contributors have declined sharply since 1998. Sir, without going into that which is of the draft of the 15th, the issue of a decline ...

Hon. R. L. SEALY: On a point of order, Mr. Speaker, the Honourable Member is misleading the House.

The Minister of Finance in his presentation said that he had the 15th Actuarial Review to bring to the Cabinet. The Honourable Member is deliberately referring to this 15th Actuarial Review. He says he wants to bring us into the light, well make it a document of the House and while he is at it, he can tell us how he would have obtained this document as well. I am just saying. He says he wants to share the information. I want to know what the 15th Actuarial Review is all about.

Mr. SPEAKER: No point of order found, Honourable Member. Please continue, Honourable Member.

Mr. K. D. SYMMONDS: Mr. Speaker, I am obliged. Mr. Speaker, I did preface my remarks by saying that I wanted us to get back to some semblance of substance in this debate and I say so again for the benefit of the Honourable Member for St. Michael South Central. He had a chance to speak and he spoke and he did not seek to collide in anyway with the substance of the serious issues which are coming out of the 14th Review, in particular, on that which I understand to be in the 15th, Sir, is a matter of deep concern. I also said for the benefit of the same Honourable Member who is prone to frivolity more so than seriousness that if the Government was aware, or if the Government was able to acquaint itself with the 15th document, which I understand they say they have not done, they would be in a better position to speak seriously to the developmental issues that are inherent in this debate.

In the 14th Actuarial Review, Sir, it became very clear that Barbados was in a situation ...

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Hon. R. L. SEALY: On a point of order. The Honourable Member is misleading this House.

Mr. SPEAKER: In what way, Honourable Member?

Hon. R. L. SEALY: Mr. Speaker, the Honourable Member was a Member of a Cabinet, I believe. Mr. Speaker, there is a process, the 15th Actuarial Review is in draft, it is to come to Cabinet and by law it has to be laid in here. You cannot hide an Actuarial Review, so that the Honourable Member is accusing us of not colliding with facts that exist in a report that we have not as yet seen.

Mr. SPEAKER: Very well, Honourable Member. Let the Honourable Member stand corrected. Please continue.

Mr. K. D. SYMMONDS: Mr. Speaker, I say again that there are a number of National Insurance Scheme contributors since 1998 that have fallen precipitously, that is a matter of concern for any Barbadian. It is equally a

matter of concern, Sir, that the National Insurance Fund expenditure has surpassed its contribution income and I think the Honourable Member for St. George South spoke extensively to that particular point. It is also a matter of concern that after having fallen behind on contribution and rental payments the Government of Barbados is now in arrears to the Fund, and that is another issue of concern. Mr. Speaker, Sir, the point that I am trying to drive at is that if we are going to speak to the future of this Fund, then we have to be looking at all of the dynamics that are coming out of the 14th Actuarial Report and whenever it is laid, because I am made to understand that it is, in fact, in existence...

Asides.

Mr. K. D. SYMMONDS: The 15th Actuarial Report. Mr. Speaker, now if Honourable Members have not heard and do not know of the 15th Actuarial Report, then we do not have to discuss that 15th report but the fact of the matter is that the issues of Barbados' Fund exposure is something that we must be able to discuss seriously. Mr. Speaker, 95 per cent of the combined Fund's assets is invested in Barbados and that issue has been one that was debated in this Honourable House in 2013. Sir, I participated in that debate, I remember speaking immediately after the Leader of the Opposition. I remember making the point to the other side that it was none less than Sir Frank Alleyne who I believe at that time was Government's Economic Advisor who expressed concern about that consolidation of investment within Barbados' shores, so that these are not new issues, Mr. Speaker, Sir, and it becomes important for us to be able to speak sensibly to what is the direction of the Fund.

Mr. Speaker, the portion of combined investments held in Government and quasi-Government securities have increased to as high as 75 per cent and again that issue of the management of the Fund and the way in which we hold Government security is a matter...I think the Honourable Member for St. Lucy has just sought to address it but it clearly has to be a matter that must be addressed.

Mr. Speaker, if I were to just try to put a few of these things out and to go through them one by one, let us deal, first of all, with the fact on the basis of evidence available in the last Actuarial Review which will be the 14th, the current benefit expenditure which will be the amount of money spent by the Funds on meeting claims for benefits was as high as \$54 million a month, but in contrast to that, Mr. Speaker, Sir, the contribution which is being collected on a monthly basis is only \$47 million, which tells you then that you have a deficit of \$7 million.

Mr. Speaker, some may shrug their shoulders and say that does not sound like a lot of money but the reality is that once you have the gap and that gap starts to grow, then

the challenge for the Fund and the challenge for the sustainability of the Fund become apparent. Mr. Speaker, that is why the point has been made in the 14th Actuarial Review that the scheme is, in fact, under threat and that on projections back then, which is why the 15th Actuarial Review now becomes important, this Fund was likely to go broke by 2032.

Mr. Speaker, when once you have come to this Honourable House and you are armed with the relevant statistical data and you are in a position, Mr. Speaker, Sir, to analyse that data, it then asks you -- it does not have to ask you -- it demands of you that you have to challenge the position taken by the Government side when they would seek to have us believe that all is well. Again, this Barbados Labour Party is made up of Barbadians, this Barbados Labour Party is made up of Barbadians who are sufficiently conscious and concerned that they have come to sacrifice their personal lives, their professional times, their professional duties, et cetera, so that they can contribute to the development of this country, we did not just walk in here in a wheelbarrow.

Mr. Speaker, Sir, the reality is that when legitimate concerns are being raised about the sustainability of the Fund against the information which is available... Well, if you only want to look at the 14th Actuarial Review and I presume that all Honourable Members on that side have read the 14th Actuarial Review, or whether you were sufficiently intellectually curious to try to acquaint yourself with the draft of the 15th, Mr. Speaker, the point is that are alerted to the fact that by 2032 on current projections there is every likelihood that the Fund can, in the language of the author, go broke. Now, therefore, Mr. Speaker, Sir, the challenge for me, if I were in Government, would be what could we do now to deal with this. The question for me in Opposition, and according to the Right Honourable Prime Minister, where I will remain for some time to come, because the Honourable Member looks into his crystal ball and sees that, then, Sir, I must ask of him, if I am going to be over here and be powerless to change things, the Right Honourable Prime Minister should be able to tell us, when the Honourable Member speaks, what steps are being taken to rectify the situation. Mr. Speaker, whatever documents that I can share with the Right Honourable Prime Minister I will do so. I want the Honourable Member to be as armed as I am and as acquainted as I am.

The concern that I have, Mr. Speaker, Sir, must also go into the issue of the investment portfolio being extremely localised. Now, the Honourable Member for St. Lucy made much in his speech about the suggestion that the localised nature of the investment is nothing for us to worry about. Mr. Speaker, that is a position which is mirrored by the Minister of Finance and Economic Affairs. Mr. Speaker, as I have said to this Honourable House, Sir Frank Alleyne who was Economic Advisor to the

Government did not share that perspective. In fact, he was one of the people who raised the alarm because we have, in fact, passed that which is known as the prudential limit or the prudential best practice where out of good governance considerations, good Administration considerations you say to yourself are you not taking too much of a percentage to invest, or making too much of a percentage investment in one location as opposed to diversifying that investment across multiple locations with a view to making sure that you --

(1), protect the sustainability of the Fund, and

(2), that you get an opportunity to maximise your opportunity for a return.

Mr. Speaker, I do not just argue my emotion, unlike some people who come here, I do not think that I believe or that I feel is the way in which you conduct a serious argument, so I go to research. Sir, it might be my training in law, it might be my training in the Social Sciences before I did law, it might be the fact that I spent a little bit of time lecturing at the University of the West Indies, but I believe that empiricism, that ability to prove things demonstratively is important.

Mr. Speaker, Sir, when I go back and look at the performance of the Fund with respect to foreign investment income, I can take you, Sir, to 1994 when the income derived from foreign investments in the National Insurance Fund was only \$541 000 -- big Barbados and in 1994, within your memory and mine, we were getting

\$541 000 we were getting from foreign investments. The Government changed shortly after that, in fact, during 1994 the Government changed.

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ir, 12 years later in 2006 as a result of a more dynamic approach to investing the Fund's resources abroad -- outside of Barbados -- the foreign investment income was \$180 million. You move in 12 years from \$541 000 to \$180 million. Mr. Speaker, it tells me that there is a foreign exchange-earning benefit that can be derived from spreading the risk, as is recommended by people who are concerned about the prudential best practices. There is a foreign exchange-earning benefit which can be derived by spreading the risk. When I hear the Member for St. Lucy, I hear his emotion. I hear him making an argument that you can keep the money here onshore and stimulate economic activity, but I cannot agree with that because I am an empiricist, Sir. I believe in research, Sir, and my study has told me that right here in Barbados Members of this Cabinet, including one who they now say should be a Prime Minister of the country, preside over a fund called an Industrial Training Fund under the auspices of the

Barbados Investment Development Corporation (BIDC). The fund manager, however, is the Barbados Central Bank, and if you pick up the Estimates from this year, last year, the year before that and go all the way back to when this Government came into office, you would find that sitting in the Industrial Training Fund is \$23 million and in some instance \$25 million, Mr. Speaker. It is sitting in the training fund, so do not tell me in the same breath that this money is lying fallow and that you need to have the resources kept onshore from the NIS because you want to create employment in Barbados, when there were millions of dollars there which you never touched nor tapped into.

In fact, if truth is to be told, when the Minister of Finance came here, not in this Budget but in last year's Budget, he made a commitment that that Fund would be utilised and that \$50 million from that Fund would be made available to develop small business enterprise in Barbados. Again, Mr. Speaker, this Government betrayed the confidence of the people of this country because up to now \$10 million is all that has been made available to the Minister of Commerce. That is a fact. Sir, the argument of the Member for St. Lucy falls on the sword of inconsistency. Mr. Speaker, it fails because at the disposal of the Government there are millions of dollars which could have been used to do the very laudable thing he is talking about. I have no difficulty whatsoever with the concept. Conceptually using money that is available to the Government to stimulate economic activity, and employment by extension, is a wonderful thing. I doff my cap to him, I give him full marks for that, but he is a Minister who sits in a Cabinet that has access to the twenty-something million dollars, and he is a Minister who sits in a Cabinet that has done nothing with the access to the twenty-something million dollars; so do not now come and say by way of an argument that the National Insurance Fund should only invest in Barbados because you want to generate employment, Sir. That is bollocks, Sir, with respect.

Mr. Speaker, the issue that we have to go back to is the very clear empirical data which shows that from 1994 foreign investment income by the National Insurance Fund was only \$540 000-odd. When you then started to invest wisely outside of Barbados, you were able to see foreign exchange earnings and that the Fund then had a return by 2006 of \$180 million, Mr. Speaker. Yes.

Asides.

Mr. K.D. SYMMONDS: This is the 14th. I am going to get the Prime Minister the 13th, 14th and 15th because I want him to be entirely up to date, and I hope that he not only reads but that he then takes certain steps, Sir. Mr. Speaker, I therefore have to submit to this House that the spreading of the risk is an essential thing that we should do for two reasons. First, because it is prudentially wise.

Barbados' economy is not the best. We all know that, and if, as has been anticipated, there could be a further downturn -- and obviously it is anticipated by this Government because the painful NSRL would not be there if Government was not concerned about trying to shield itself from further downturn -- the reality is that you cannot therefore expect that if, in the language of the Honourable Member for St. George South, you are in a dry pond that you should go fishing, Mr. Speaker. There are resources out there and there are areas of investment potentially out there which the National Insurance Fund could prudentially -- again and using wise investment practices and judgement -- be able to make investment in. I make the other point, Sir, that this is not a willy-nilly thing. The Honourable Member for St. George South is absolutely correct when he says that there is in fact a requirement in law that the National Insurance Board have within it an investment committee, and that investment committee must be made up of people and have at its resources other people who can assist it in making the type of investment offshore Barbados that would be in the best long-term interest of the Fund and the opportunity for the Fund to contribute to the earning of foreign exchange, which is badly needed by the country.

Mr. Speaker, I say that is but one aspect of this matter. The other aspect of this matter is the point which the Honourable Member made with respect to what he described as abuse of the Fund. That perhaps carries with it a certain political thrust and cut which maybe causes a bad reaction on the part of the Government, because the Government does not want to be accused of abusing the Fund. Let us face facts. Again, if we are empirical in the way in which we go about this thing and we just look to do a little bit of research and see how this Government has dealt with certain aspects of this Fund's management, it does not carry you back too far, Sir. It was only in January of 2014 that \$55 million was borrowed by the Barbados Tourism Investment Incorporated (BTII). The Right Honourable Prime Minister must remember that. I do not want to take him too far back and stretch his ageing brain. In 2014 there was \$55 million borrowed by the BTII as a two-year bridging loan, and who did you borrow it from? Ever ready, ever available, easily accessible NIS. You go in 2014 and you borrow the money from the National Insurance Fund, and that was to assist with the closing of the deal at Heywoods.

Mr. Speaker, the agreement was that the NIS would have no charge on the land. Mr. Speaker, this is where the Honourable Member for St. George South is painfully correct. He is painfully correct. When that \$55 million loan was made by the Fund, there was no security, there was no charge. You are helping the BTII to finance its contribution to that Heywoods purchase, but there is no security attached to that, Mr. Speaker, so the money is taken up -- I use that word loosely -- and moved for that purpose. Mr.

Speaker, by the end of 2016 the NIS Board was in a position where they were reviewing a recommendation to extend the loan period which was for two years. It was originally for two years, and it was not to make sure you get some collateral for the loan or to securitise the loan, but you wanted to review and extend the loan period. Mr. Speaker, do you know that in fact what happened was that the \$55 million was then, by some interesting forms of accounting, used as a charge against the Sam Lord's Castle development? Sir, the NIS effectively became a mortgagee. Financing Sam Lord's Castle \$55 million, \$55 million still owed down at Heywoods, and no security in place. That is what the Honourable Member is talking about. Mr. Speaker, I am sure that I will hear from the Right Honourable Prime Minister, who is an excellent student of history, that at some dim, dark, distant time in the past a Barbados Labour Party Minister of Finance may have presided over a similar activity.

Aside.

Mr. K.D. SYMMONDS: This is the point, Mr. Speaker.

4.40 p.m.

Mr. Speaker, Sir, this is the point. It is not now because we are confronted with warning that by 2032, this Fund could go broke so, we cannot just look to what happened before. We have to be now concerning with how best as we go forward we change the practices so that they become consistent with the best practices prudentially required around the world, we change the culture of the management of that Fund so that there is less of an appetite on the part of the Government to use the National Insurance Scheme as a piggy bank or a printing press because, the truth of the matter is that a lot of the printing of money in Barbados also was done via that Fund. Sir, I have said at the beginning that I do not wish to be politically tribal in a debate that really is about the sustainability of a vital piece of financial machinery for this country.

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

Mr. K. SYMMONDS: Mr. Speaker, I am obliged and I will to be economical with those five minutes. Sir, the point I am trying to get across to Government is that this not a matter for knee jerk political reaction. This is a matter for sober reflection. The Honourable Member for St. James South has put some very legitimate concerns squarely before us and I commend him for it. I say frankly that the Prime Minister does not have to remind me. It has happened to some extent in the Barbados Labour Party and if you go through all the Prime Ministers, I am sure it has happened with all of them but when we are now confronted

with reviews that are telling us that the Fund can go broke in the space of two decades then, Mr. Speaker, Sir, we have to take stock and we have to be prepared in a mature way reflect on how we have done things in the past and how we are going to change direction for the future. Mr. Speaker, Sir, therefore it becomes necessary for us to relook this issue of investment.

Mr. Speaker, Sir, 75 per cent of any investment resource located in one area, I do not care what that resource is, Sir, that is high. Sir, when I hear the argument that there should be more investment especially when the area is in financial turmoil that would be imminently unwise.

Mr. Speaker, I am sure no Honourable Member would take 75 per cent of their money and put it in an investment which was shaky and because it is shaky put in a little more to see if they could get it to 85 per cent or 90 per cent because that would be imminently unwise. Mr. Speaker, Sir, I am urging on this House and on the Cabinet that we reflect on how we have been dealing with this matter of the management of the National Insurance Fund. The question of that which has been loosely called abuse of the fund I wish to say politically manipulated use of the fund, that is what it is, for political purposes.

Mr. Speaker, Sir, if it were not readily available money it would never have been happening but we must now look to put a pause on that and to try to find a way that if the resources are going to be used, for example, in the Sam Lord's Castle issue or the Heywoods issue then, Mr. Speaker, Sir, at least have the security in place because nobody could go into Bridgetown at any of those banks and get \$50 million without security so how is it going to happen with the people's fund, so that is why taxpayers are becoming increasingly concerned about financial management in Barbados.

Mr. Speaker, it is not a question with respect of being hostile to the Government but about being exceptionally alarmed and concern about how the Government has been operating with respect to the management or dare I say mismanagement of this very important financial resources.

Mr. Speaker, I am mindful of the fact that you have given me very little time and I will not trespass upon any further of it. I am obliged.

Mr. SPEAKER: The Honourable Prime Minister.

Mr. SPEAKER: The Honourable Prime Minister.

Hon. F.J. STUART: Mr. Speaker, just a few minutes on this since I think the Government side has been very adequately put by the Minister of Finance who piloted the

Bill and by those who have spoken since the Honourable Member for St. Michael South Central and the Honourable Member for St. Lucy but I think that having regard to the fact that the National Insurance Department has been celebrating its Golden Jubilee that it would be remiss of me if I do not let the records of Parliament reflect my own personal gratitude but also the gratitude of the people of Barbados for the sterling contribution which that department has made to the post-Independence development of this country. It bears repetition I think that the National Insurance outfit which we have in Barbados today can be traced to the foresight and the humanism of the Democratic Labour Party.

Mr. Speaker, the Manifesto of the Democratic Labour Party in 19651, Barbados was still a colony then, at page 12 under the rubric Social Security says the following:

"The Party is of the opinion that in addition to the obligation of the State to provide its citizens with maintenance in old age and also in the case of sickness or loss of capacity to work that the comparatively prosperous position of the colony, the high level of taxation and generally burdensome cost of living entitled the community to a comprehensive system of social security with a minimum delay". Mr. Speaker, by that position the Democratic Labour Party in 1961 committed itself if it came to office to establishing a comprehensive social security scheme. I smile whenever I read that particular commitment of the Democratic Labour Party because what it does show is that as long ago as 1961 there were complaints about high taxation in Barbados and as long ago as 1961 there were complaints about a burdensome cost of living, that is what the Manifesto states and against that background the Party committed itself to the put in place of a comprehensive social security system without delay. Sir, a number of reports were commissioned between 1961 and 1966. The report, of course, that influenced the Government of the day most was report called the Stockman Report and as a result of the recommendations contained in that report the Government committed itself to the passing of the National Insurance and social security Act. Mr. Speaker, as the Honourable Member for St. Michael South Central has indicated in his speech, there has been no social development initiative in Barbados over the last 50 years that has been in more inclusive, more all embracing and more impactful than the National Insurance and Social Security Scheme. It has touched every single household in some way or another, it has given the country a sense of security which it did not enjoy before it came into existence and citizens of a wide diversity of occupations and positions in the society can have recourse to the National Insurance Scheme as events in their lives so dictate. Sir, you can only understand what happened in June 1961, when the Scheme took off by looking to see what the Scheme was replacing. The Scheme replaced a

social philosophy that reflected itself in a mentality that was called the poor law mentality. Sequence 30

That poor law mentality basically blamed poor people for being poor, blamed them sometimes for being ill, blamed them for being unemployed, blamed them for the misfortunes that bedevilled them from day-to-day in their lives. The system, of course, that poor law system, was administered by a vestry that dominated administration in Barbados for over 300 years. There were 11 vestries in Barbados reflective of the 11 parishes. Each was chaired by the rector of the Anglican Church and the whole system of poor relief was all localised and the truth is, given the culture of the time, the poor, the marginalised, the dispossessed, the sick, the mentally ill and so on found themselves in a position where they had to seek assistance from the vestry and very often were given the impression that the vestry was doing them some kind of favour. The more the vestry matured the more humane it became but when the Poor Relief Act was passed in 1879 that was the culture and overtime, as I said, the vestry became more and more humane. You got either institutional care depending on how ill you were, depending on what your physical conditions was or you got out of extra institutional care in terms of being given food or being given medicine or being given some place to rest your head if you did not have a home in which to live. One of the key institutions during the poor law period that provided institutional care and, Mr. Speaker, we all lived during that period for a little time of our lives, but the key institution was the alms-house and if you could not be taken care of outside of an institution you were committed to an alms-house and, of course, stripped of all of your personal dignity and so it was until the vestry system was abolished and replaced in 1958 by the local Government. The Local Government Act was passed in 1958 but that did not change because although we had the Northern and the Southern District Councils and the City Council the old poor law mentality still prevailed and soup kitchens in Queen's Park and other forms of benefaction outside of urban Barbados in rural Barbados, whether to the north or to the south, those were the facts of life in Barbados. There was a heavy resistance to centralised social security. It was kept local because men of property and wealth felt that to centralise the system would have deprived them of their influence over how the poor were going to be treated and, of course, that was why the Democratic Labour Party (DLP) in 1967 abolished the Local Government Act and centralised social security and social care in the Central Government. That is what the social security system replaced and people who have benefitted from the system since then have been able to do so in a much more dignified kind of atmosphere and in circumstances that did not deprive them of their personal dignity or strip them of their humanity. I cannot approach this debate exclusively in terms of the state of the National Insurance Fund. The Democratic Labour Party has a story to tell in this debate. The National Insurance and Social

Security system we have in Barbados today resulted from the initiative of the Democratic Labour Party and has been the most inclusive and impactful social security system anywhere in the Caribbean and certainly the most inclusive system of any system here in Barbados and that is the context within which I want to look at a few areas of this debate. Of course, there are many men who have contributed to the success of the Scheme over the last 50 years. The name Mr. Humphrey Walcott comes in for very honourable mention. Names like Clifford Gittens also come in for honourable mention. Of course, there has been Mr. William Layne, former Permanent Secretary who managed the Scheme quite efficiently while he was responsible for it, Mr. Grantley Smith who also managed the Scheme quite efficiently when he was its director. They are both very distinguished retired public officers and now of course for the last 20 years, I think, Mr. Ian Carrington, the present director has been making his own contribution to the management of the Social Security Scheme and there have been a number of very good Board Chairmen as well and some very competent Boards reflecting in their essence the partnership between labour capital and the State, many of those boards but Chairmen like Sir Henry Forde, Sir Richard Cheltenham, Sir Frank Alleyne and the present Chairman Dr. Justin Robinson have all committed themselves fully to ensuring that this Scheme remains secure and that its sustainability is guaranteed. Of particular importance in all of this too, Mr. Speaker, is the fact that the National Insurance Scheme has needed a Commissioner under the legislation and the late Sir Denys Williams for about 40 unbroken years was the Revenue Commissioner for the Scheme and rendered it inestimable service. Since his resignation and subsequent passing, retired Justice of Appeal, the Honourable Peter Williams has been rendering sterling service as well as the NIS Commissioner so a whole galaxy of personalities have contributed to the 50 year success of the National Insurance Scheme. I spoke at the gala and I was very pleased to hear social security leaders from other parts of the Caribbean, St. Vincent, Dominica and elsewhere stand up and say that what strengths their own social security systems now enjoy have resulted from the fact that they got guidance from our social security activists here in Barbados and our social security practitioners and that brought me great pride.

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They spoke uninhibitedly about how much assistance they got from Barbados and how much they benefitted from the Barbados' example in terms of getting their own social security systems off the ground and getting them to continue to function and, of course, they made the point that whenever they get into difficulty, whenever difficult questions arise, they can call Barbados and speak with Sir Frank Alleyne or Mr. Carrington or any of the persons associated with the NIS and be sure to get the guidance they need to make their own systems more

secure. I think that it is proper that this House should reflect the congratulations of all of us to the National Insurance and Social Security Scheme for the excellent contribution it has made to Barbados, its 270 employees have all in their different ways contributed to making the Scheme what it is today and they are deserving of our highest commendation. The beneficiaries of the Scheme are the best tellers of their own stories. The people who get severance payments, since that is one of the funds that the Scheme administers and when employers fail or refuse to pay severance pay workers can go to the Severance Fund and get severance payment which the Fund can then recover from the employers who have been in default. The Severance Payment Act, of course, is part of that whole social security network as well. That piece of legislation was passed after major fires in Bridgetown, Cave Shepherd and I believe, Forgerty as well, resulted in the fact that workers who did not cause the fire and who made no contribution to their own misfortune had to go away without any kind of reward and the Government of the day, the Democratic Labour Party (DLP) took the position that a Severance Payment Act should be put in place so where workers are disadvantaged, where workers lose their work as a result of natural disasters or through no fault of their they can benefit from the severance payment either from the employer or from the Severance Fund and that has changed the lives of many workers ever since then.

Maternity Leave is another benefit which the female component of the population has enjoyed under the National Insurance Scheme and they can tell their own story. Maternity Leave with pay, of course, is another story, that piece of legislation being passed around 1976 also by the Democratic Labour Party (DLP) but the enjoyment of Maternity Leave by women comes through the National Insurance Scheme.

There is the issue of Survivors Benefits where one spouse is left as a survivor after the passing of a partner and the scheme clicks in as long as the right contributions have been made and the right criteria has been satisfied, survivors' benefits exist.

There are also Funeral Benefits where people who have expended moneys on funeral expenses for deceased relatives can resort to the Scheme to at least recoup some of the expenditure since funeral expenses nowadays tend to be very high.

There is also, Mr. Speaker, the issue of Disability Benefits where workers who are injured at work therefore not able to work for a while can get disability benefits through the National Insurance Scheme and if those injuries are sufficiently serious to prevent them from working altogether for the remainder of their lives or for some substantial period into the future, what started as a disability benefit can become an invalidity benefit and

they can be granted those benefits and therefore be able still to contribute to the upkeep of their families and that kind of thing.

We are not talking about a social security system which only dimension is how it invests, although that is important to ensuring that it has the resources to meet the benefits that it has to expend from time-to-time and we all know and we all agree that the investments of the National Insurance Board have to be prudent, sensible and they have to be strategic because the capacity of the Fund in the future to meet the demands of its national constituency will depend, not only on the contributions which it gets from workers and employers but also the yield it is able to get from its investments wherever those investments are and the extent which investments are local or investments are foreign is a question of not just law, but also of judgment at any given time and the powers in that regard are vested in the Investment Committee of the Board. Up to now, I think all Barbados can feel proud that there has been no spectacular misjudgements on the part of the Investment Committee so far as the use of National Insurance Funds are concerned.

I do not get myself involved in the debate which has to do with the extent to which the National Insurance Fund is exposed to the State because that is always going to be a debatable issue. My own view is that the Funds belong to the people of Barbados and what better place to invest those funds than here in Barbados. If the Fund had to get into trouble at any time it has to turn to the Government of Barbados for its restoration and if the Government of Barbados when other funds get into trouble that have nothing to do with the Government springs into action to make sure that the public interests are not undermined, a fortiori, the Government will in the event that the National Insurance Fund had to get into any kind of trouble has to spring into action to look after the public's interests so I do not allow myself to get distracted by that debate. There will always be those who believe that exposure to Government is a bad thing and exposure to the private sector is a good thing although history does not always prove that but that is a mindset that continues to exist and I do not think it is going to vanish any time soon.

House D 14 Seq 32 5.09 p.m.

I do not belong to the school of thought that because you expose yourself to the Government, ipso facto, you have taken an irrational risk, but that if you expose yourself to private investment institutions that, ipso facto, you have made a good decision. We have seen what can happen to private investments as recently as the last quarter of 2007 and the years succeeding, so I think that we just have to keep some balance in this debate and to rely on the good judgement of the Fund and its investors to do right by Barbados, and of course as Parliamentarians we have the

duty to raise alarms if we think alarms need to be raised, and certainly as a Government we have a duty to ensure that the National Insurance Fund is protected.

Mr. Speaker, the Democratic Labour Party feels proud in this 50th Year of the National Insurance Scheme to be able to say that we did it and that we did it because we thought that the old Poor Law mindset, the old Poor Law system stripped people of their dignity, stripped them of their humanity and reduced them really to nonpersons in many respects by the way that the system related to them. There are many other dimensions of our social security system that feed into all of this - the National Assistance Board and its activities under the National Assistance Act which was also an offshoot of the Stockman Report and the Moyne Report and so on, all of these are part of our social security network that have helped to keep Barbados the stable and dignified society that it is.

Unemployment benefits, Mr. Speaker. I believe Barbados is the only country in the Caribbean whose social security system has made provision for unemployment benefits. I think, I am given to understand that the Bahamas has been looking at it in recent times but even the unemployed, in circumstances where they have lost their jobs, have been able to turn to the National Insurance Scheme to get relief, and during this fairly protracted crisis, this Government has had occasion to take the decision to extend the benefit period for the unemployed from 26 weeks to 40 weeks, at a time when nobody knew how long the crisis would last and at a time when nobody knew what the real depth of the crisis was. Mr. Speaker, this Government took that decision, and in fact we took the decision to relieve employers of their obligation to service the Scheme during the time when they were having pressure placed on their inventories as a result of the crisis which we are talking about, so we have a Scheme of which we can be proud.

Mr. Speaker, the Scheme does not only have the dimension of investment and whether it is too exposed to the State or not, this Scheme touches the lives of people in every household in Barbados and that is what we should be accentuating, but somehow our economic mindset and monetarist mindset leaves us to only focus on the investment side of the Scheme and not look at the revolutionary dimension of the Scheme, not looking at the transformational change effected by the Scheme after it was introduced in 1966.

Mr. SPEAKER: Honourable Members, please keep down the cross-talk. Thank you.

Rt. Hon. F. J. STUART: I think, Mr. Speaker, that we need some more balance when we are looking at the National Insurance Scheme. As I said, it has its investment dimension, but as a piece of social engineering it effected a

transformation in the lives of people in Barbados that should be highlighted in this 50th Year and that is where I think the emphasis should be. You are not going to settle the debate whether it is too exposed to the State or not, as the Minister of Finance and Economic Affairs said this morning.

Mr. Speaker, in Singapore the only agency to which the scheme there can be exposed is to the Government because it is the people's money and Lee Quan Yew took the position that the people's money in Singapore should be spent on the people, not invested elsewhere to make other people alright, while leaving Singaporeans to go to the wall, so that there is going always to be a debate on that, and the extent to which there should be investments outside of Barbados and the extent to which there should be investments in Barbados, that is going to continue to be a debate. Those percentages will continue to engage our attention but when all is said and done, there is something deeper about the Social Security Scheme in Barbados that goes beyond dollars and cents, the extent to which it changed a system, it changed Barbados from a Poor Law system to a modern Social Security System and brought dignity and a sense of uplift to ordinary men, women and children in Barbados, it removed soup kitchens from Queen's Park, it removed all of those other degrading symbols of the Poor Law past, the removal of Alms Houses and substitution of District Hospitals, differently configured, differently focussed, to bring dignity to people's lives. Therefore I think that as we look at our social security we have to look at it in that way as well.

Mr. Speaker, I heard the Honourable Member for St. James Central speak of looking at the figures and so on and the Honourable Member said that he is an empiricist and that the Honourable Member ultimately is concerned with what the figures say and what can be proved, but let me very frank, I am not an empiricist, I have read a lot about empiricism in my times, empiricism is a philosophy, it has its genesis in the thinking of the English Philosopher John Locke, it came into existence to service the rising bourgeois class in Europe and John Locke, George Berkeley, David Hume, all of them in their various ways promoted empiricism. I have never been an empiricist.

Empiricism is contrasted with the other philosophy that had its genesis with Rene' Descartes, the French Philosopher rationalism and of course with the other philosophy of the United States of America pragmatism which had its genesis with Charles Sanders Pierce at Harvard University who conceived it, and with William James who gave birth to it, and with John Dewey from the University of Chicago who cradled it and brought it to full nourishment.

Mr. Speaker, if the Honourable Member for St. James Central had said that he is an empiricalist, then I

understand what the Honourable Member is saying, I am that too, but I can never be an empiricist, so I just beg to differ on that, and perhaps there is a book on empiricism that I could recommend to the Honourable Member for St. James Central, and if he reads it he would be afraid to look in a mirror after that.

5.33 p.m.

It would not be the most complimentary thing to read about how empiricists think and how they behave and what their character traits are and so on. That is why I am not an empiricist, but I think he really meant that he is an empiricist, and I hope that he accepts the correction in the spirit in which it is given.

Asides.

Rt. Hon. F.J. STUART: Mr. Speaker, 50 years after the great leap forward in 1966 here we are with a social security scheme that is the envy of people across the Caribbean; the most comprehensive social security scheme we have anywhere in the English-speaking Caribbean. It is not perfect. No social security system is perfect. It has its shortcomings, but anybody who demands perfection from any system or from any individual should come armed with that perfection themselves. None of us is perfect. Whatever man invents, man can circumvent. Therefore we have to keep trying to make our social security system better and better. I have to frankly say that both sides of the political divide in Barbados have been very jealous about their protection of our social security system, and long may that continue. I really do not like the idea that in the longest crisis Barbados or the Caribbean has gone through since the Great Depression, when we have had to try to navigate some of the most tempestuous waters by which this region has been beset ever since the end of the Second World War, and because we have had to turn to the social security system from time to time to make sure that Barbados remains on an even keel, I do not accept that that is any basis for hurling arrows at the Government or hurling arrows at the Board or at anybody else. Ultimately, the scheme belongs to us, and as I said, I have seen Governments of Barbados

When Trade Confirmers got into trouble, nobody said let us go to Trade Confirmers. They asked would the Government do it. When the Bank of Credit and Commerce International (BCCI) got into trouble, nobody was asking the question, "What will BCCI do?" They asked, "What will the Government of Barbados do?" When CLICO got into trouble, nobody turned to them either. They asked, "What is the Government going to do?" When Great Northern Insurance Company got into trouble, same thing, and when New India Insurance got into trouble, it was the same thing. If the Government of Barbados has been able to deal with other people's problems, I am confident that if

we had to deal with our own problems, we would deal with our own problems as well. I do not really get myself carried away with all of that. I think that we are doing well as a nation in very difficult circumstances, and I think that we are doing as well as we are doing because of the contribution made to our wellbeing by the National Insurance and Social Security Scheme, and I want to congratulate them on their great work over the last 50 years. Mr. Speaker, I want to give my unequivocal support to this Bill. I am obliged to you.

MR. SPEAKER: I am obliged. Yes, Honourable Member for St. Michael North West.

Hon. C.P. SINCKLER: Mr. Speaker, I wanted to take the opportunity to thank all Honourable Members who contributed to this debate. Of course, I want to thank in particular the Right Honourable Member for St. Michael South, the Right Honourable Prime Minister, for his contribution which he just gave and which was really almost like a wrap-up contribution to this Bill. As I said at the outset, the Bill is a simple Amendment to the Act to permit for a good thing to happen. It is a win-win situation.

Aside.

Hon. C.P. SINCKLER: We hope that persons and companies, whoever may be indebted to the Fund, would take the opportunity. The amnesty has been extended again, and we want people to take the opportunity to get their house in order and to ensure that we get at least those basic contributions in. We attach interest and penalties to these things as a means of enforcement, but nobody wants to put a business under undue pressure or put an individual in a position where he or she may have to be leveraged on because of circumstances that may have fallen out of their particular control. Now that this has been offered by way of amnesty, we encourage everybody to take advantage of it and bring your business up to scratch.

Mr. Speaker, I should make the point that the Cabinet previously, a few years ago, did take the decision that even persons who are indebted to the National Insurance or to any of the other Government agencies would not be stopped from accessing Government contracts, particularly small and medium-sized businesses. You would still be able to access them but, of course, you would have to make good on your obligations. If you get a contract, we are going to leverage on it to make sure that you pay who you owe, but you would still get the contract. Previously, the policy was you would not have been able to do so. We want people to encourage people to do that. As I said, I give the assurance as well that the Government -- particularly in some instances where statutory corporations have been delinquent -- has to bring that to an end and ensure that they too meet their obligations, because it is through the inflow of funds into the NIS that we are able to

securitise those of us who are contributors to the Fund in the future when we retire.

Mr. Speaker, with those very few words I want to again thank Members of the House for their contribution. Long may this Fund live and be of service to the development of Barbados and Barbadians. Mr. Speaker, I beg to move that this Bill be read a second time.

On the motion of Hon. C.P. SINCKLER, seconded by Hon. R.D. JONES, the question that the Bill be read a second time was put to the Honourable the House, and was resolved in the affirmative without division.

On the motion of Hon. C.P. SINCKLER, seconded by Hon. R.D. JONES, the House resolved itself into Committee. Mr. J.D. PAUL in the Chair.

5.29 p.m.

COMMITTEE

Mr. CHAIRMAN: This Honourable House is in Committee.

Clause 1 was called and passed.

Clause 2 was called and passed.

On the motion of Hon. C.P. SINKLER, seconded by Hon. J.D.E. BOYCE, Mr. Chairman reported to His Honour the SPEAKER the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motion of Hon. C.P. SINKLER, seconded by Hon. J.D.E. BOYCE, the Bill was read a third time and passed and cited as the National Insurance and Social Security (Amendment) Act, 2017.

ADJOURNMENT

Hon. J.D.E. BOYCE: Speaker, Sir, with that, we have come to the end of Government Business for the day and I beg to move that this House be adjourned until Tuesday, July 18, 2017, at 10:00 o'clock in the morning.

Hon. C.P. SINKLER: : I beg to second that, Sir.

The question that the House be adjourned until Friday, August 28, 2015 was put and resolved in the affirmative without division and Mr. Speaker adjourned the House accordingly.

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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, 14th June, 2017’ (14 June 2017 was a Wednesday). The weekday and date do not agree; printed as in the source.

Q3. Order No. 17, opening speech. The Minister of Finance’s opening speech on the National Insurance and Social Security (Amendment) Bill, 2017 (about 1,070 words) is printed under the speech heading ‘Mr. SPEAKER’ and begins ‘Thank you very much, Mr. Speaker’. Printed as in the source.

Q4. Order No. 17, Prime Minister’s speech. The Speaker’s call ‘The Honourable Prime Minister.’ is given twice in succession before the Prime Minister’s speech. Printed as in the source.

Q5. Order No. 17, second reading. The sentence ‘The question was put and was resolved in the affirmative without division’ follows the Minister’s opening speech before lunch, and the second-reading question is recorded again after his reply at the end of the debate. Printed as in the source.

Q6. Order No. 17, take-slips and resumption. Reporters’ notes are typed as paragraphs (‘House D 14 Seq 1 10.32 a.m.’, ‘House D 14 Seq 2 10.42 a.m.’, ‘Insert s 3 Prince’, ‘Seq. 4’), and on resumption the Speaker says ‘we were on Order No. ...’. Printed as in the source.

Q7. Order No. 17, Mr. D. G. Sutherland’s speech. When Mr. Speaker takes the Chair he calls ‘the Honourable Member for St. George North’, but the Member speaking is Mr. D. G. Sutherland, Member for St. George South. Printed as in the source.

Q8. Order No. 17, Prime Minister’s speech. The source reads ‘the Manifesto of the Democratic Labour Party in 19651, Barbados was still a colony then’. Printed as in the source.

Q9. Adjournment. Hon. J. D. E. Boyce moves the adjournment until ‘Tuesday, July 18, 2017’, but the question is recorded as adjourning the House until ‘Friday, August 28, 2015’. The Minister of Finance’s name is also

spelt both ‘SINCKLER’ and ‘SINKLER’ throughout. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 11th July, 2017 at 10.00 a.m., with His Honour M. A. Carrington, Speaker, in the Chair; prayers were taken by Father Reverend Mark Harewood. The Minutes of Tuesday, 14th June, 2017 were confirmed. The Speaker read a letter from Sir Elliot Belgrave saying that he would demit the Office of Governor-General on retirement on 30th June, 2017 and that Sir Philip Marlo Greaves would act as Governor-General. He also reported the absence through illness of the Member for St. Peter, and welcomed trainees from the Attorney General’s Chambers.

The Prime Minister, Hon. F. J. Stuart, laid the Registration Department Reports on Vital Statistics for 2014 and 2015 and the Police Complaints Authority Annual Report 2016. The Minister of Finance, Hon. C. P. Sinckler, laid Loan Contract No. 3843/OCBA with the Inter-American Development Bank for cleaner fuels and renewable energies, and the Accountant General’s Annual Report and Financial Statements for 2015/2016. The National Assistance Bill, 2017 and the National Assistance Miscellaneous Provisions Bill, 2017 were read a first time, and Standing Orders were suspended.

Mr. Sinckler, Member for St. Michael North West, moved the second reading of Order No. 17, the National Insurance and Social Security (Amendment) Bill, 2017, which gives legal effect to the amnesty allowing delinquent contributors to make good on their payments to the National Insurance Scheme. He said that by the end of 2016 the Fund’s reserve was around \$4.7 billion, that the scheme was viable on the actuarial reviews, and that the Government should wean itself off borrowing from the National Insurance Scheme.

After lunch, with Madam Deputy Speaker in the Chair, Mr. D. G. Sutherland, Member for St. George South, said the Barbados Labour Party was very concerned about the financial integrity of the Fund, its funding ratio and the ageing population, and questioned investment in projects such as the Four Seasons; he withdrew the phrase ‘that pack of men over there’ at the Speaker’s request. Hon. R. L. Sealy, Member for St. Michael South Central, supported the amendment and recalled the department’s history and mission statement. Hon. D. St.E. Kellman, Member for St. Lucy, spoke of opportunity cost and the number of insured persons, 116 000.

Mr. K. D. Symmonds, Member for St. James Central, said the Government had mismanaged the Fund and pressed the issues in the 15th Actuarial Report; Mr. Sealy raised two points of order, the second of which the Speaker accepted, telling Mr. Symmonds to stand corrected. The Prime Minister, Rt. Hon. F. J. Stuart, marked the National Insurance Department's Golden Jubilee, quoted the Democratic Labour Party's early manifesto on social security, and called the scheme the most comprehensive in the English-speaking Caribbean.

In reply Mr. Sinckler said the amnesty had been extended again and that the Cabinet had decided that persons indebted to the National Insurance would not be barred from Government contracts, but would have to meet their obligations. The Bill was read a second time without division, clauses 1 and 2 were passed in Committee with Mr. J. D. Paul in the Chair, and it was read a third time and passed as the National Insurance and Social Security (Amendment) Act, 2017. On the motion of Hon. J. D. E. Boyce, seconded by Mr. Sinckler, the House was adjourned.