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# THE

## House of Assembly Debates

### (UNOFFICIAL REPORT)

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PARLIAMENT 2013 – 2018

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#### HOUSE OF ASSEMBLY

*Tuesday, July 25, 2017*

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Tuesday, June 25, 2017.

#### PRESENT

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

(Minister of Transport and Works) (Leader of Government Business)

Hon. STEVEN D. BLACKETT

(Minister of the Social Care, Constituency Empowerment, and Community Development)

Mr. JAMES D. PAUL, B.Sc.

(Chairman of Committees)

Dr. the Hon. DENIS S. LOWE, Ed.D., M.Ed., B.A., Dip. Theology

(Minister of Environment and Drainage)

Mr. ADRIEL D. BRATHWAITE, LL.B. (Hons.)

(Attorney-General and Minister of Home Affairs.)

Hon. STEPHEN A. LASHLEY, B.Sc., LL.B. (Hons.), L.E.C.

(Minister of Culture, Youth Affairs and Sports)

Hon. DONVILLE O'N. INNISS, Dip., B.Sc., M.B.A.

(Minister of Industry, International Business, Commerce and Small Business Development)

Hon. CHRISTOPHER P. SINCKLER, B.A., M.Sc.

(Minister of Finance and Economic Affairs)

Mr. TREVOR PRESCOD, B.A.

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

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

Dr. Mrs. MARIA M. AGARD, J.P., D.Ds., B.Sc. (Hons)

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

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

*Prayers were taken by Reverend Canon Ivan Harewood.*

MR. SPEAKER: This House is now in Session.

#### MINUTES

MR. SPEAKER: The Minutes of Tuesday, Tuesday, July 18, 2017.

Hon. John D. E. BOYCE: Mr. Speaker, I beg to move that the Minutes referred to be taken as read.

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

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

#### PAPERS

Mr. SPEAKER: The Honourable Minister of Finance.

Hon. C.P. SINKLER: Mr. Speaker, Sir, I am commanded to lay the following:

(1) Duties, Taxes and Other Payments Exemption Barbados Tourism Marketing Inc., (BTMI)(Order, 2017.

(2) Duties, Taxes and Other Payments Exemption University of the West Indies, the ebcci Film Club (Order) 2017.

Hon. D. KELLMAN: Mr. Speaker, I am commanded to lay the following:

(1) The National Housing Corporation 38th Annual Report for the Financial Year 2010 to 2011.

#### NOTICES FOR MOTIONS FOR THE ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

Mr. SPEAKER: Honourable Members, by letter dated

July 24, 2017, notice was given by the Honourable Member for St. James Central with respect to a matter which he wishes the House to entertain as a matter of definite and urgent public importance. In accordance with the Rule, I have certified that it so qualifies under the order and I now invite the member to give the Draft Motion prepared in that regard so that we can get the House, if it is the House desire to entertain it.

Mr. K. SYMMONDS: Mr. Speaker, I am obliged. The motion before the House reads as follows:

“WHEREAS on Monday 24th July, 2017, residents of this island through the agencies of two of three important constituent members of the Social Partnership namely, the trade unions and the private sector agency, protested and demonstrated their Opposition to the fiscal and economic policies being pursued by the Government and the lack of meaningful consultation thereon.

AND WHEREAS the said fiscal and economic policies have proven to be excessively burdensome on the working class, the middle class, pensioners and the people generally and has had the potentially to cause further deterioration of the standard of living residents of this island.

AND WHEREAS two members of the Social Partnership have made it clear that they were obliged to take demonstrative actions by reasons of the tardy response of the Prime Minister to their entreaties for further urgent consultations to discuss the debilitating and oppressive effects of the fiscal and economic policies of the Government.

AND WHEREAS it is urgent, imperative and in the best interest of Barbados that the Prime Minister and the Government take steps forthwith to meet with the said two members of the Social Partnership to forestall further escalation of industrial action and protest which would cause damage to the economy.

AND WHEREAS Parliament is part of the Government of Barbados and is the highest forum in this island for the discussion of issues affecting the people of Barbados.

AND WHEREAS some members of the Cabinet notwithstanding their constitutional obligation to be collectively responsible therefor and many members of Parliament, including member of the Opposition have publicly voiced their disquiet concerning some of the said policies.

AND WHEREAS on 3rd July, 2017, the Government set an ordinary meeting of the Social Partnership for August 18, 2017, almost another four weeks from today's date.

BE IT RESOLVED that this House calls upon the Prime Minister and the Government to convene a meeting of the Social Partnership without further delay to address the legitimate concerns of the two members of the Social Partnership, other social partners and the people of Barbados generally.

Mr. SPEAKER: I am obliged. Honourable Members, under the said Standing Order, this matter would have to be dealt with by 6.30 p.m. today. I have spoken to the two sides before and they have basically agreed in principal that this will be done immediately after lunch. Unless there is any other understanding that is when it will be entertained.

## ORDERS OF THE DAY

### SUSPENSION OF STANDING ORDERS

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move the suspension of Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44, for the remainder of the today's Sitting.

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

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

### GOVERNMENT BUSINESS

#### ORDER NO. 18 – TO MOVE THE SECOND READING OF THE VALUE ADDED TAX (AMENDMENT) BILL, 2017

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

Hon. C.P. SINKLER: Mr. Speaker, Sir, the matter before the House is a matter to amend the Value Added Tax and to permit for some of the changes which had administratively been provided for coming out of the 2015 Financial Statement and Budgetary Proposals but which also have in their genesis from the review of the tax system in Barbados which was conducted by the International Monetary Fund Fiscal Affairs Department through CARTAC, the regional, technical body for such matters as the House would have heard before.

#### *Sequence 1*

That tax study which I believe is a document of the House and if it is not I will certainly make this one a document of the House but I believe it is a document of the House because we have spoken to it before entitled "A Tax Reform Road Map for simplicity and revenue buoyance in Barbados was conducted over a period of time during 2014 and several recommendations would have emerged from there. Of course, the Value Added Tax (VAT) was first was first implemented 1st January, 1997, and given the length of time which it would have been operation a number of things were identified as some of the challenges and opportunities relative to that piece of legislation which is a core part of the Government's revenue collection base relative to the economy. Before and since then we have had recommendations of varying types as to adjustments which needed to be made to the Value Added Tax Act. When we decided to do a tax study which is an overall tax study, of course, it would have included the VAT but it was not limited to the VAT it included other things as well, some of which we have undertaken but when we decided to do so we felt that it was necessary to have at least a general review of tax policy in Barbados over the years, how some

taxes were operating, the efficiency and effectiveness of them and to examine any particular changes which would have been required. At the time, in 2015 when we presented the Financial Statement and Budgetary Proposals, we decided to undertake for the time some of the more short term adjustments which were required to the VAT. Two of those identified from, not just the study, but also from practice and from academic reviews was the issue of the threshold for which persons were required to register under the original Act and the issue of the VAT basket of basic items that are available to members of the general public. In the practice of the VAT when it was first implemented, of course, you would recall that a very low threshold was set at \$60,000 originally for persons to register to become VAT registrant and to participate as intermediary tax collectors on the behalf of Government because that is exactly what really transpired. It is a voluntary tax system, predominantly. You register if you are in the line of collecting the tax on the behalf of Government, as in this case, the VAT. You register officially where your accounts would have to be submitted from time-to-time relative to and as prescribed in the legislation. You would have to do a VAT filing in relation to what would have transpired in the previous month. I believe the filing is done on the 21st day of each month for the period covering the previous month, or one or two months and that is then reviewed by the BRA in this case and originally by the VAT Division and you are then, of course, told whether you would get a refund or if you were owing to the Government. One of the things that would have emerged and that of course, that threshold went from \$60 000 to \$80 000 but what would have emerged more than a decade later, quite a few years, was that because of the outgrowth of the economy, both in terms of its size, the size and value of the transactions in the economy as per economic activities and business activities, the number of businesses and the types of activities that businesses were engaged in that the economy would have expanded exponential on the growth of the country, its population and the issues which it had to contend with both internally and, of course, externally as well. There became a mismatch, Mr. Speaker, between the threshold size required for threshold in terms of registration at \$80 000 and what the value of businesses and the growth of the economy. Because of that mismatch, it meant that a lot of what we call, small business people and individuals who were operating within the economic space, because of the law, are required to register and go through the processes which any other VAT registrant, medium or large size, would have had to go through. Of course, because of the nature of the VAT particularly as it relates to the input and output tax, as it relates to the accounting, as it relates to the filing, it does have some administrative burdens, particularly in relation to human resources required but also in relation to cost associated with activities. It was felt that given the nature of the economy and the size and the growth of the economy that perhaps the original threshold

of \$60 000 to be registered and going \$80 000 was too small and that it would capture too many business which, in many instances, would not have had the wherewithal or did not have the financial and human resources to keep up with filings of that particular nature. It was felt, both in terms of practices, and it was a recommendation that would have come to the previous Administration and to this Administration but also from the review study that given, as I said the growth and size of the economy and the value of transactions, that it would be a wise thing, or it would not be a bad thing to take that threshold up and remove those persons out of the need to register for VAT. Once, that basic understand and appreciation for the challenges that many small individual businesses would have faced, once we accepted that logic and there was no particular reason why it should not have been accepted, the next question is, what was the most appropriate level of threshold for such registrations to be done? Of course, we know, Mr. Speaker, that when we reform the Financial Management and Audit Act or when we put a new Financial Management and Audit Financial Rules in place in 2011, the Government also took the decision to shift its contract requires as it relates to tender. It was previously \$100 000, if my memory serves me correctly, and that was moved to \$200 000 because it was felt that, in the circumstances again, given the size of the economy, given the value of the transactions, given the nature of business and activities that people were involved in that \$100 000 for the public service to be requiring a tendering process, which in itself again, also involves a lot of technical, human and financial resources to be able to do, and it was supposedly, by justifiable argument, excluding certain people from the process, who were not so well equipped to tender on projects that they may have been able to do, the Government felt that it should move that from \$100 000 to \$200 000 so it was not entirely out of the line of practice. When we look at this matter and we sent the studies which came from the IMF to the business community for review, to the Social Partners for review and to a technical committee that was put in place by the Ministry of Finance and Chaired by the former Permanent Secretary, Mr. William Layne, all of them came back in agreement that it should be extended or the threshold should be moved up and secondly that it should be no less than \$150 000 or probably more like \$200 000, so the tax experts, the business analysts, the Social Partners and other people looked at it and said they felt, given the nature of what we are dealing with, that an appropriate threshold should be about BDS\$200 000, and that is how we actually came up with the figure of moving it to \$200 000.

House D 16 Seq 2

Now, what does this mean? Once we amend the Act for that purpose, it means that a lot of small business people in Barbados who are currently now having to battle through dealing with all of the paperwork on the VAT

would not now have to do that so long as they do not reach or surpass that threshold of \$200 000 of business being undertaken within a single reporting period for the year in terms of their annual accounts, and that gives an ease because it allows them to have a little bit more cash flow and it allows them to be able to not have to expend resources in areas so that they could then transfer those resources or divert those resources into other areas of the business to grow the business and to do other things. It also, in many instances, pulls them out of the process having to do what we call VAT refunds which of course is a major issue for the Government relative to the availability of sufficient resources to be able to as quickly as possible process and have VAT refunds paid to a number of small businesses in Barbados that frankly require and rely on those resources to be able to have their cash flow and to do what they have then to do, so in this sense it gives them a major breathing space where they do not have to do so.

Mr. Speaker, a question may arise as to what happens with a business person who may have themselves to pay VAT on the inputs which they have for their businesses. Now, I am advised that the way how it works is that so long as you are not registered you do not collect VAT from the consumer to pay into the Government, however, if in the conduct of business you yourself are charged with the VAT relative to any input to the input which you have in your business that amount is calculated and of course that becomes part of the cost of the production which you are doing which you then in your pricing claim back from the public so the Government does not necessarily lose any revenue per se because those persons who charge you VAT are VAT registered so they have to pay in. What you do though is that you recoup that from your final customer as part of the cost of the business. In some ways it is now going to function in a way similar to what the National Social Responsibility Levy is supposed to do, but you yourself would not now have to report and pay into the VAT because you are not registered as an official tax collector on behalf of the Government. Whatever cost in VAT that goes into your business, you recover that cost from the final consumer and that is part of your thing, so you have your input, your VAT, your mark-up, and so forth and so on and that becomes your sale price and on your sale price then you recover whatever cost you may have had in that particular regard.

As I said, it would not cost the Government any major amount of revenue but it would free the business of the headache and also frees the Government of the administrative cost and the headaches of having to deal with so many VAT refunds for such a large number of small businesses.

I think the point should be made though that you will find in the system that there are still some people who may not reach the threshold but are still VAT registered and it

may very well be in their interest to be so registered. For example, if you are an exporter, you make products, small businesses, but you do not get up to the \$200 000 but some of what you do you export...As we know exportable items are zero-rated on VAT so when you export it the competitiveness that you get in the pricing is because the VAT is not attached to that export. If you, however, pay VAT in relation to the production cost associated with your product you still want to have to be able to claim that back and therefore you remain registered because the input tax is recovered through your filing, so some people who may be exporters or some people who are exporters who may fall below the threshold may still remain on as a VAT registered person because they have to claim back the input tax for whatever product they may have been producing that goes out for export, so you will still find that some people will remain on there even though they are not 'thing'. Of course, it is voluntary in the sense that it is an advantage for those persons who export and they really ought to but for those who are not exporting... Some people may want to be on the VAT system because it helps them to be able to manage their accounts and so forth and so on and if they do the Barbados Revenue Authority will work with them once they can demonstrate that they can keep good accounts and apply because at some point in time the business may grow and if the business grows, say you are making \$180 000 a year annually you are not required under this amendment to register, but in three years' time you may be making \$220 000 or \$250 000, the fact that you might have registered when you did not have to and the Barbados Revenue Authority is familiar with you, when you do get to the stage where you pass the threshold and you can register, you are inside, they know you, you know the operations, you know what to do and then you do not have to be fumbling around and paying out large amounts of money to people to come in now and sort out your accounts for you to participate in the system, so some people will still avail themselves of the opportunity to work with the authorities in that particular regard.

Mr. Speaker, this is a simple amendment but it has far-reaching and broad implications positive for many of those persons who operate small businesses. As you know, we have a very large and relatively vibrant small business community in Barbados and we believe that this is an amendment that would help them and that it would also help the Barbados Revenue Authority relative to the cost of administering so many small claims on the value added tax (VAT) system.

The other part of the amendment, Mr. Speaker, Sir, relates to the issue of the VAT-free basket. I would have spoken at length on this in the House of Assembly before, and I do not presume that I would need to go over this as extensively as I have on previous occasions, but just to remind that one of the reasons why we looked at this is because in the reviews that were done both by external

entities and internally both in the ministry and also by others connected to and associated with the operation of this particular tax, we discovered that somehow when the basket of basic items was being composed or being put together as a relief mechanism principally for the most vulnerable in our society or the working poor in our society, even though I must reiterate again that we operate in Barbados, some people do not like it, a universal access principle for all, that is, that anything we give in relief to the very poor can also apparently in most cases be accessible to the very rich as well, so when the original VAT basket was done it was not restricted to persons at a certain income level and was basically designed to target those persons in the lower income bracket but a person in a higher income bracket could also access the benefits, so that you could be earning \$500 000 a year and you can get the same VAT basket of basic items benefit when you go to the supermarket as the person who was only making \$20 000 per year, because we have a system of universal access to all relative to the provision of these things.

### *House D16 Sequence 3*

Mr. Speaker, this is a matter that has been brought to the attention of the authorities and has had wide discussion in the public as to whether or not this is the most efficacious way to deliver relief to the most vulnerable. The view is that we should target better, that we should do more means testings and only those persons who should be getting a benefit of this nature should get it. Now, that is a debate, Mr. Speaker, Sir, for us to go through and it is one that I am sure that is going to continue to come up and intensify as we go forward in the weeks and months ahead. Mr. Speaker, for what it is worth, when it was originally designed the VAT basket was designed principally to target those most vulnerable persons in our society, or those who would have been likely to have been impacted upon by the VAT.

Mr. Speaker, in 1997 when the VAT was introduced, it was introduced at a rate of 15 per cent, not 2, 5 or 10 per cent but at a rate of 15 per cent, supposedly to replace a number of other impositions which would have been in existence at the time and so the framers of the VAT protocols decided that we would have a VAT basket of basic items, and that has operated reasonably well over the years. However, in review of that, it was discovered that for some strange reason, Mr. Speaker, Sir, -- and I do not know because I was not there when it was being done and many of the people who were around at that time are not around now, and when I reviewed all of the files I never quite understood why it was done that way -- when the list of basic items was being composed, whoever did it captured entire tariff headings. Mr. Speaker, I should explain this because in the international trading system, and we use the harmonised system of trade classification through the ACCECUDA system. At that time it was

ACCECUDA, then ACCECUDA+, then ACCECUDA++, now ACCECUDA World but whatever it is, in that system the imported items are classified under the various headings in tariff, what we call a tariff heading. Those headings tend to be broad descriptions of products captured within a particular set of items and under that there are what you would call 'break-out' tariffs, so that you have a broad heading and then for each specified item depending on the level of differentiation of that item or the type of item, it would have what you would call a split in the tariff heading, so that a tariff heading maybe, for example:

Tariff Number Description

8.05 Citrus fruit, fresh or dried

0805.10.00.100 Oranges, fresh

0805.20.20.100 Ortaniques, fresh

0805.20.90.100 Other, fresh

0805.40.00.100 Grapefruit, including pomelos, fresh

0805.50.10.100 Lemons, fresh

0805.50.20.100 Limes, fresh

08.06 Grapes, fresh or dried

0806.10.00 Fresh

08.07 Melons (including watermelons)

Mr. Speaker, you come down the line: Other citrus hybrid fruits:

0803.00.10 Bananas, fresh

0803.00.20 Plantains, fresh

08.04 Dates, figs, pineapples,

avocados, guavas, mangoes and mangosteens, fresh or dried

0804.30.00.100 Pineapples, fresh

0804.40.00.100 Avocados, fresh

0804.50.10.100 Guavas, fresh

0804.50.20.100 Mangoes, fresh

08.05 Citrus fruit, fresh or dried

0805.10.00.100 Oranges, fresh

0805.20.20.100 Ortaniques, fresh

All of those are all listed under Heading 805 -- Citrus.

Mr. Speaker, when the tariff headings were done for the basket of goods, the people who captured them, they captured, in some instances, the entire heading, so that, for example, some exotic fruit that was not really intended for the target audience may have and did in some instances come in with the overall tariff heading because it was not broken down specifically to say which ones you wanted, the tariff heading was done and then you covered the entire list, so that for example, under Tariff Description: "Rices" we found thing such as Basmati Rice, Jasmine Rice and some of the more exotic rice were captured in the tariff. Mr. Speaker, we know that was not the intention because this is supposed to be a basket of basic items as was designed and called in the Schedule and we know that the average Barbadian shopper does not go the store to buy Jasmine Rice, you buy Uncle Ben, Mabel's, Indian Girl or whatever else it is called but the average person does not buy the exotic rice and when you look at the price of it, the price point is way beyond what the average person would buy but it was in the tariff heading anyhow as being exempted from the VAT. Mr. Speaker, we know that was not the original intent of the persons who designed it.

Mr. Speaker, we also have that existing in the Description Heading: "Proteins" with meats where, for example, you have T-bone steaks, porterhouse steaks and those things because the tariff heading captured meats and bovine and under there you can find all different kinds, varieties and differentiated products available.

Mr. Speaker, in going through the tariff we realised that more than 400 items in this basket - somebody said it was not a basket but a container - that it had in a lot of stuff in there, for example, Dark Swiss chocolate, et cetera. Mr. Speaker, the heading there was supposed to bring in the teas like chocolate, cocoa, so forth and so on but the heading allowed it to bring in actual Dark Swiss chocolate for eating as a dessert, so to speak. We had then to sit down, put a team together from the Ministry of Health, the Ministry of Agriculture, Food, Fisheries and Water Resource Management, the Ministry of Foreign Trade, the Ministry of Commerce and Industry and others to sit down and go through the basket and try to identify some of those products which we knew by way of the heading and by way of the breakout should not have been included there and could not have been the intention of the persons who originally designed that basket of goods. Mr. Speaker, of course, there is some controversy in it because people say there is nothing called basic food, that food is food, but we all know what the original and practical philosophical intention was.

Mr. Speaker, the Ministry of Health, for example, sat on the Committee and was very insistent that some of the items that we had in the basket of goods which were now on review, things like hamburgers, hot dogs, wieners, those things that are very heavy in salt, that while you should allow some of those food items to be accessible but that you should limit the amounts, types and varieties and that you should examine and find those ones, if you can, among that group which would make for better and healthier eating and that we should concentrate on putting a lot more fruits and vegetables in the basket to ensure that those persons in the lower income bracket should be able at least to afford some of those. Therefore we put in things that we did not have in, for example, raspberries, blue berries and blackberries which we are told by the nutritional experts are high in anti-oxidants and can assist in healthier blood in terms of lowering cholesterol and, of course, fighting cancer and those types of things.

11.05 a.m.

The team looked at that. We know that there is not Value-Added Tax on local agricultural production in terms of food. Any fruits and vegetables are all VAT-exempted, but we know that at periods of shortage some of those things have to be imported into the island and would attract VAT at the port. We therefore said that we would look to see and work with the Ministry of Agriculture, the Barbados Agricultural Society and others to identify the down periods, how much was being brought in, the Barbados Agricultural Development Management Company and so forth; and that in terms of those items we would allow those to be free of the VAT so that a wider range of persons could have access to a wider range of fruits, vegetables and healthier foods.

There was some debate, of course, by the Ministry of Health and others in relation to things like baby food, because there was an argument that we should take out baby food. The Ministry of Health's position was that while these canned and bottled foods which we feed our babies had become substitutable for what we used to get when we were much younger, the Member for St. George North will tell you that we got a little crushed pumpkin, put a little baby milk into it, or a little mashed sweet potato, and fed the children. Now a lot of parents, for convenience and cost too, sometimes, trend more towards the canned stuff and the bottled stuff. The truth is that a lot of that stuff is not exactly or entirely healthy. Some of it is made from genetically modified stuff.

*Asides.*

Hon. C.P. SINCKLER: Of course it is preserved so it has a lot of preservatives, and can have negative health effects. The Ministry of Health people, of course, feel that parents, especially young mothers, should do more breast-

feeding because "breast is best", as the saying goes, and that they should not rely on feeding young babies these preserved foods and so forth too quickly. We did try to cut down on those and it had a negative reaction in some respects, but I think that the reasoning was reasonable coming from the Ministry of Health. The team went through and we tried to clean it up.

For those Members of the House who may want to refresh their memories, in the Budget Statement we did include both the items that were taken out and the items that were left. I know this is something that caused some confusion but you would notice that some of the tariff lines look similar, so when people pick up the items which were taken out they may look at it and say, "You have taken out parboiled rice," for instance, but if you look carefully at the items that remained, you would see that parboiled rice is still actually in. It is just that with the particular heading which was also in, subheadings of parboiled rice were not required and therefore we took that out. When you look at the items that remain in the basket, you would see that they are quite extensive. As I have said before, there are more than 300-odd items in here, I believe, and it covers, I think, as extensively as you could imagine it would be for the basket. All of your pastries, for example, at Appendix 2 you would see Tariff heading 25.0 1001000 and you have from there table salt, and you can go right away down until you get to the bottom which deals with all of your types of fish, frozen and processed, fresh or chilled; all of your meats, bone in, bone out; and all of the stuff which you can imagine that the average person would go to a supermarket and buy.

Mr. Speaker, I note with some interest as well that under heading 1905, you have bread, pastries, cakes, biscuits and other baked wares, whether or not containing cocoa. You then have as well your Communion wafers for the church people, and so forth. You have all your breads, all your biscuits sweetened and unsweetened and so forth. All of your pastas are in there, your rice, all of the fresh fruit, the citrus, coconuts and all of the stuff that you would imagine people would utilise for basic items. Even though many people go to the store and shop, a lot of people do not actually look at the bill at the end to see how much savings they get from these VAT-exempted items. Actually it could be quite significant when you look at it in terms of how much money is actually saved by the shopper from this particular basket. The truth is that for the majority of us in the society, about 30 per cent of the items which we buy in the supermarket actually comes out of this basket of these basic items; about 30 per cent. Your bread, your oil, your vegetables, your fruits, your flour, all of those; about 30 per cent of the basic items which we buy at every supermarket business is actually exempted from Value-Added Tax. I think it is a useful thing to have. I think it is a dynamic thing. We should not expect that it would remain this way always. It should be periodically reviewed, new items

should be brought in as required, and some items that may not be required should be taken out. That review process should go on, I think, and be continually updated to meet the demands and requirements of our society. I believe that in the instance where we have been able to identify and do some revisions to the VAT in relation to these matters, that the Bill before the House to concretise and fully legalise that process is a useful and commendable thing on which I believe the House should reflect positively.

In relation to the actual Amendment, as I said, both are relatively simple. One is relative to the Schedule which is for the supply of basic food items in the VAT Basket, which is the Schedule to the main Act itself. The other is relative to Section 33 of the Value-Added Tax Act which we will amend by deleting one and substituting the new figure for the threshold, which is \$200 000, and amending, of course, Section 34 of the same Act, CAP 87, by deleting 4(b) and substituting a new 4(b) in relation to, again, the issue of taxable activities of a value of \$200 000 or more annually. There is also an Amendment to Section 38 of the Act which of course allows the Comptroller to cancel a person who, having applied and having been previously VAT-registered, can be taken off the system as long as the person does not meet the new threshold; and of course then to amend the First Schedule of the Act relative to the VAT Basket and to have that these commence to take effect from the 1st day of January, 2016, which we are told by the nutritional experts are high in anti-oxidants and can assist in healthier blood in terms of lowering cholesterol and, of course, fighting cancer and those types of things which we are told by the nutritional experts are high in anti-oxidants and can assist in healthier blood in terms of lowering cholesterol and, of course, fighting cancer and those types of things.

H:No.D16 (5)

Therefore, Mr. Speaker, Sir, I think that this is a useful and good thing for us to reflect upon positively and I want to basically move that this Bill be read a second time.

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

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

Mr. K. SYMMONDS: Mr. Speaker, Sir, I just want to share a few perspectives on this matter. I listened carefully to the Honourable Member and I am indebted to him for the later part of his presentation because I think that it is very important that we have clarity as to the working of the basket of goods. The reality is, Mr. Speaker, that one cannot take issue with the practical necessity for there to be a VAT exempt basket of goods given the economic circumstances which has confronted Barbados for the last decade or so. The truth of the matter is that

perhaps, the undercurrent in this debate is really not so much the performance of the VAT, though that is obviously an issue we have to look at, but it is also the performance of Government with respect to the VAT. Mr. Speaker, when we talk about a basket of goods my mind takes me back to 2010/2009, when I would have at that time been in the other place and I remember almost on a week by week basis raising the issue of the need for the implementation of the VAT exempt basket of goods given the circumstances which at the time were in their very early days in the aftermath of the Budget of the Right Honourable Member for St. John, now deceased where he sought ill-advisedly to raise over \$106 million in taxes in one year. I remember Government through the same Honourable Member who just took his seat during the by-election campaign in the aftermath of that Right Honourable Member's passing assuring people in St. John in that by-election that that VAT exempt basket of goods was a priority.

Mr. Speaker, Sir, I say these things not just to hearken back to the old days but to reflect on the fact that the coming about of that VAT exempt basket of goods though it clearly was necessarily for the wellbeing of people who were the more marginalized economically, who were the aged amongst us and therefore had to have special types of diet (4:07..), that these people needed the type of relief which could have been structured into the VAT system but that was never treated as a priority of this Government. The point, Mr. Speaker, becomes even more clear when one reflects on the fact that it was in 2015 that this Minister of Finance came to this House and in a Budget then, and I remember well he read the Budget that I congratulated him on the idea of raising the threshold of the VAT and again, Mr. Speaker, Sir, for very good reasons. There are a number of small business people in Barbados for whom the administrative requirement of the VAT is an exceptional burdensome procedure. The one-door operators for example, the hairdresser, the barber, et cetera, et cetera, in many of those instances the requirement of the administration of the VAT is time consuming, it is also financially consuming because very often you have people who have then to hire someone to do the VAT for them but more important than all of that, you are faced with a situation where quite frankly, you are dealing with about three per cent of the commercial population of Barbados but your returns for pursuing them for VAT are virtually minimal. Therefore, if you have threshold of \$80 odd thousand a year you are not getting very much by way of VAT returns from those individuals but when the enforcers in the VAT unit are asked to enforce the payment of VAT they take up precious time, exceptionally large amount of manpower and human resources in order to pursue that which is negligible. Mr. Speaker, that point was made back in 2015 and it is really a reflection on the failure of this Government to be able to execute.

Mr. Speaker, I say this, that the power in Barbados is not the capacity in this House or outside of this House to come up with good ideas and sound policy initiative. The failure in Barbados today is the failure of those who govern to execute the policy because for this very simply matter to have been lying in abeyance for nigh two years is nothing short of disgraceful. Mr. Speaker, Sir, I make the point that the International Monetary Fund, the fiscal affairs department of the fund did a study on Barbados' taxation structure and it is entitled, "A Tax Reform Road Map for Simplicity and Revenue Buoyancy", and the Honourable Minister of Finance has a copy on his desk and I think he made reference in passing to it, when he introduced this measure. Sir, I am not sure if it is a document of the House but I would want to make it a document of the House if it is not but, Sir, I am reading at page 14 of document at paragraph 16 thereof. It says as follows: (7:43)

"The most reliable tool to inform the threshold setting decision with respect to VAT is to prepare excise distribution of registrants by the size of business turnover and VAT collections."

Mr. Speaker, it goes on to say:

"Registered firms with a turnover of BDS\$1 million and over turnover in the study account for 88.6 per cent of the total VAT paid in the sample."

Mr. Speaker, if you have \$1 million of business and over, you are pretty much in a category where the VAT office should be interested in you because you making a good piece of money and that is 88.6 per cent of the VAT take collection in Barbados. Sir, registrants with a turnover between zero and \$300 000 account for only 3.8 per cent of the total VAT paid. This was the finding of the study conducted back in 2014 on the Minister's desk. The Minister came to Parliament enunciated a policy to raise the threshold in 2015, which I agree with I say again, but from that time onwards, we did nothing. We spin the top in mud, we squandered time and the fact is that even now that we come to do an adjustment at \$200 000, it is still \$100 000 short of that which the International Monetary Fund Study is suggesting to us make sense. In fact, Sir, they said that the following:

"Put another way, setting the threshold and assuming no behavioural changes in registrants, registrants with turnover equal or above \$300 000 would account for 96.2 per cent of the VAT totally currently paid." Again, assuming no behavioural changes such a change would remove only 3 140 taxpayers from the registrants roll or approximately half therefore, Mr. Speaker, for the purpose of enforcement, and this is where Government has to get its story straight, because on one hand you are saying that you want to be able to bring in more revenue.

## Sequence 6

You have to be bringing the revenue in a sensible and strategic manner which means you recognise you have limited human resources in terms of officers to go out there and knock on doors and so on. I hear the nice sounding languages, the rhetorical flamboyance of the Minister in the last Budget when he said, we be going at the accountants and knocking on the doors. We would go at the lawyers and knock on the doors, and the doctors and so on but it takes people to go and knock on the doors and you have to be employing people to go and knock on the doors. You have to train the people that you are sending out to go and knock on the doors. You have to be able to pay those people, Mr. Speaker, so that comes at a cost. That is real talk. If you are going therefore to have that cadre of persons and deploy that cadre of persons, then goodness gracious, let us deploy them sensibly. Let us do it in pursuit of where you believe or where you can see from the data that has been provided to you by the International Monetary Fund (IMF) study is the most sensible area and more strategic area to pursue taxpayers, not to take one half of the tax registrants in Barbados and pursue them when effectively they are only contributing 3 per cent of the Value Added Tax take. You do not spend resources that are scarce in terms of your manpower to enforce the VAT on 3 per cent of the tax take spread across one half of the registrants when you can more seriously and more sensibly be targeting the other half which are bringing in excess of \$1 million in VAT.

Mr. Speaker, that simple example, couple with the dilatory approach taken to instituting the basket of goods tells the tale about where this Government is woefully lacking. It is really a simple matter of being able to implement policy, to execute policy, a sensible policy. The Minister could not have felt in anyway threaten by this piece of policy promotion because when the Minister came here, I remember that Budget well two years ago and I congratulated him on the initiative because it is truly desirable but that it took so long to come here, Sir, creates its own problem.

## Asides.

Mr. K. D. SYMMONDS: No, there is more to come. I know that you agree with that part but there is more to come.

Mr. Speaker, Government is saying to us -- well we all Government is revenue strapped -- and if you are revenue strapped and you are seriously seeking to do something about it then, Mr. Speaker, it would seem to me that the recommendations of the very competent resources persons at the International Monetary Fund (IMF), if you are not going to take them carte blanche then I would imagine, Sir, that you would explain to the House where is

it that you vary and why you vary with them. The International Monetary Fund (IMF) made the very clear point in this same report that the \$200 000, which is the figure we are looking to raise the threshold to today, “is on the low side and that \$300 000 is a far more appropriate amount”. That is the IMF’s view. Quite frankly, as I think it through, it seems to make good sense to me but what I hoped to hear from the Minister, what I did note here from the Minister or what I anxiously look forward to hear from the Minister when he wraps up is why he varies with the IMF on this particular point. Is it that you simply want to go a little bit lower for the purposes of hoping to humbug a few more people when in your heart of hearts you know you do not have the resources in order to employ the people, in order to pay the people and train them to go out there and to enforce? But then why carry the threshold so low when the study itself has given you an out and to say to you at the end of the day what you are losing by way of revenue or potentially losing is 3 per cent of what you have in VAT but quite frankly you can then better use the resources of enforcement at your disposal not to humbug those people that will tell you, well, we are out \$50 but to go after people who might be out \$5 million. I would like to hear what is the rationale for setting your face like flint against the recommendations of the International Monetary Fund (IMF) on this matter?

Mr. Speaker, I also wish to raise the matter about the recent steps taken by Government with respect to non-prescription drugs and certain health related supplements. If I understand what happened in Barbados correctly over the last few months, I woke up one Sunday morning and I saw in the Sunday newspaper that certain non-prescription drugs, which had previously not been subject to VAT were going to be subject to the Value Added Tax, that was my understand. I try my best to practice at a personal level the kind of lifestyle that helps me to avoid having to take too much of those over the counter medications so I do not know how they sell or if you have to pay. I am not like my friend, the Honourable Member for St. Philip North, who even if he got a little date to go out on, he got to pop a pill.

*Asides.*

Mr. K. D. SYMMONDS: I try to run a couple miles and push about a little old iron and that helps me, Sir, to keep going but the fact of the matter is, Mr. Speaker, my understanding is that the application of value added tax for those types of drugs is something that is now being introduced in Barbados. When I go back to the same study, Mr. Speaker, and I agree wholeheartedly with the Prime Minister the other at the Christ Church West launch for the young lady who will be politically slaughtered in Christ Church West. The reality, Mr. Speaker, is that Government has sole responsibility, the Cabinet has sole responsibility for the implementation of policy in this country. Nobody can take that from them but, Mr. Speaker, what Cabinet

must also do is to be reasonable in its implementation of things so when you have the International Monetary Fund (IMF) which does not have nothing to do with anybody in Barbados, no brief to bear for anybody in this country, saying at page 23 of their report that it would be a desirable thing, “to compliment the elimination of zero rated treatment to supplies like non-prescription drugs and health supplements by an enhanced reverse tax credit to target compensation to low income households. You ask yourself, how is it that Government in the teeth of these difficult times would seek to go on the revenue side and say let me make a man pay VAT on a Panadol? When now you have the IMF recommending that if you are going to do that at least offset it by way of a reverse tax credit adjustment so that you shield low income people from the obvious onslaught of a new and unexpected hitherto for unseen and unexpected tax on a matter that quite frankly, Sir, they may not be able to avoid because if somebody is already in a physical state where he or she has become dependent on some of these types of medications or there is a requirement that they must use this medication repeatedly, then we all know it is very often the most difficult thing to extricate yourself from that. I agree that we should all try to practice a preventative form of lifestyle so that we do not have to go to that stage, but many in this country already are locked within that reality, so when you increase the cost of living for them you may say it is only a few drugs here or there but the reality is that these people are already extended via a number of other impositions across the board. The International Monetary Fund Report that the Minister has is telling him well look if you are going to do that and I recommend that you could do it, do it in a humane way so that you target the people, according to the language of the International Monetary Fund, I do not want anyone to say Kerrie Symmonds say anything, that the target compensation to low income households. That is what Washington D.C. is telling us. Washington D.C. is telling us that but St. Michael North West talks a different language, and these are the difficulties I have, Mr. Speaker.

I am not going to call anybody callous. I will say that my memory goes back to the last Budget and in the last Budget I did not speak out of malice, I spoke out of a sense of genuine concern in Barbados and responded to those people out there who go on facebook every blessed night and say what would the Barbados Labour Party do different, what approach different would the Barbados Labour Party bring. I do not get into that debate on facebook but what I say I say here because that is where the people from St. James Central send me. I said in that Budget, Sir, that it strikes me as a strange thing that we can have people in my constituency carrying a burden by way of that, it is a direct consumption, which is called a National Social Responsibility Levy, 10 per cent more on everything under the sun but that there were people in the gambling dens, remember I use the language, Mr. Speaker, Sir, in Barbados who are not paying a cent in taxes and that

had been for a long time, a couple years, and that it is something that you needed to have been dealt with urgently because you cannot ask the ordinary consumer to carry more and more when the circumstances facing, quite frankly, an aspect... I have no personal grouse with anybody who runs a business and got one-arm bandits as their source of living. I know I have seen at two and three o'clock in the morning... If I am coming from a party somewhere or a fete somewhere or whatever I stop off and go inside. I am not calling anybody's place but I have seen some pensioners gambling away their life, the pension cheque, in front of a thief with a metal arm. Mr. Speaker, what did Washington say to this Government in the International Monetary Fund Report entitled "A Tax Reform Road Map for Simplicity and Revenue Buoyancy". It says at page 23 thereof: Gambling and lotteries should be brought into the value added tax. The free structure of Betting and Gaming Duties Act is unlikely ever to be efficient in revenue maximising. Modern VATs have developed methods to effectively bring gambling, lotteries, casinos and other games of chance into the net in a way that is consistent with the taxation of consumption in general and with the input crediting mechanism in particular. In general, supplies that are remunerated by fees or prices can be subject to VAT in the usual way. Supplies that relate to the games that involved takings and winnings can be taxed using a margin scheme. In the case of a slot machine, for example, taxable output equals the difference on a tax exclusive basis between the amounts paid into the machine and the winnings paid out. In the medium term, consideration should be given to abrogating those provisions of the VAT Act that exempt games of chance.

Mr. Speaker, Sir, nobody is requiring the Honourable Member to be innovative and nobody is requiring the Honourable Member to research, the Report was handed to him. The only requirement of the Honourable Member is to read and to read with a humane heart and a conscience because the same way that you can come to this place, Mr. Speaker, and stand up for three or four hours on an evening and imposed the most draconian levels of austerity on the people that I represent and the people that you represent, Sir, to the point where 30 000 of them in vexation walked the street yesterday peacefully but with howls of protest, Mr. Speaker, the same way they could have been shielded by way of dealing with these lottery machines in Barbados unlike games of chance which are yielding millions of dollars and are escaping the tax net.

*Asides.*

Mr. K. D. SYMMONDS: Mr. Speaker, it is a question really of what you see as the priorities, and that is why I say that serious folks out there who hear the Barbados Labour Party cannot be asking the question of what we would do differently. There is no way that I could

be part of a Barbados Labour Party Government or indeed anybody on this side next to me... There is nobody on your left hand side, Mr. Speaker, who could seriously say as a first proposal that we were put on the firing line. The people of Barbados and their families and their households before you deal with the slots machines and the gaming and lottery... We would not know how to do it. We could not know how to govern that way.

I made the point in the Budget, Sir, that the sympathies or the fraternity that caused a former Honourable Member to spend long hours in at 'Mal Pow' and so on, that level of fraternisation, should not be the cause for us to shape policy in sympathy to that. We got to make sure that everybody in Barbados, simply put, shares in some of this. We have to make sure that everybody in Barbados helps to carry some of this load. If you are going to have entities that are exempt then let them be entities that are wholesome and constructive for the well-being of the country but do not tell me that the labourer out there working to feed five children in his house is to be on bended knees with the impost of taxation in Barbados but then, Mr. Speaker, Sir, fellows who are spending millions of dollars to bring in one-arm bandits, and yet recommendation for Washington D.C. saying bring these people into the net but in Bridgetown Barbados we say no we will not bring them in the net, we prefer to humbug the people who born and bred here and trying to feed their families, Sir, that is wrong. I do not feel that can make sense.

*Asides.*

Mr. K. D. SYMMONDS: I know you agree with me but I want you to say publicly that you agree with me.

Mr. Speaker, Sir, the one-arm bandit people would have marched yesterday for a very good reason, let us be frank. I am glad that the Honourable Member for Christ Church East who is my parliamentary representative for the time being has reminded me that some of the same people marched yesterday and I will say why because this misguided notion that the lion and the lamb cannot lie down... Karl Marx's theory of class conflict only carries you so far. Karl Marx's theory of eternal class conflict will only carry you so far. There are those who are steeped in that philosophical tradition who do not understand that a real economy can work and that a working economy will mean that people who have a job and choose to exercise his right of recreation will from time to time decide that one of the things he wishes to do with their money is to go and pull a one-arm bandit. There is nothing wrong in him saying that he wants to do that, it is money, he worked for it, but if you are the owner of the bandits or the machines and the people who would normally come to you to spend a little money cannot come to spend a little money because they do not have disposable income anymore because

things are so tight given the financial holocaust on the land, then, Mr. Speaker, Sir, those people are going to be forced to choose alternatives and therefore it would mean that even the people in betting and gaming would start to feel the financial pinch, so that there is a commonality with capital and labour when once you see a certain level of hardship being reached, because if labour cannot recreate itself by spending that which it earns, even if it only earning a pittance, Mr. Speaker, Sir, then capital, wherever it exists, will have to suffer because capital cannot function without labour spending to keep it functioning.

#### *House D16 Sequence 8*

Mr. Speaker, Karl Marx would not have told the Right Honourable Prime Minister that and the enslaved mind to the class conflict in Barbados, the mind that cannot see past class conflict, the mind that cannot see past racial conflict, the mind that does not wish to see the reality of the economic degradation afflicting this country is the mind that will cause that kind of mistake to be made. Mr. Speaker, I say that and I hope that it would be taken in the spirit in which it is given.

Mr. Speaker, Sir, I go back to the question of tax reform with regard to the VAT. There are a number of approaches, Sir, which are being recommended in the road map for tax reform and revenue buoyancy. I do not wish to lecture this Government on all but part and parcel of what we are confronted with when we do the reading, Sir, is that the information is available to the Cabinet. The recommendations that have been made, Sir, seem to be sound, they have been made by some of the most erudite people in the economic discipline. Mr. Speaker, the question that I ask is why then when we are faced with these many of policy choices we have chosen the lowest hanging fruit, the easiest and most often road to travel, the road that has caused more pain, that is, to offload on the backs of the people of Barbados when alternatives do exist. That is the concern that I have, Mr. Speaker, Sir, and with those few words, I am obliged to you.

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

Hon. D. St.E. KELLMAN: Mr. Speaker, from the beginning I want to thank Honourable Member for St. James Central for fully endorsing the National Social Responsibility Levy, because everything the Honourable Member has said is a clear indicator to this Government that the Honourable Member does support the National Social Responsibility Levy. Mr. Speaker, if one listens to what the Honourable Member said, the Honourable Member basically said that when VAT was introduced it went to a level where it should not have gone but that with the National Social Responsibility Levy it now stops at the correct level. The Honourable Member did admonished the

Minister of Finance and Economic Affairs not to do what the Honourable Member said he said in the Financial Statement and Budgetary Proposals, 2017.

Mr. K. D. SYMMONDS: On a point of order. The Honourable Member is misleading this House. Mr. Speaker, I have said no such thing, the Honourable Member cannot put that or anything else in my mouth, Sir.

Hon. D. St.E. KELLMAN: Mr. Speaker, Sir, that is my interpretation.

Mr. SPEAKER: Very well, Honourable Member, let me see where the Honourable Member is going because it sounds like his interpretation of it.

Hon. D. St.E. KELLMAN: Mr. Speaker, even though the Honourable Member spoke about VAT, when one who can fully analyse what the Honourable Member has said, it is clear what the Honourable Member was speaking about was not VAT but about what is happening with the National Social Responsibility Levy. Mr. Speaker, when one looks at the National Social Responsibility Levy one would recognise that everything that the Honourable Member for St. James Central asked for is actually happening with the National Social Responsibility Levy and that is, instead of the tax going down to the retailer as a tax, it comes as if it was a duty; in other words, instead of having to register with the VAT Office, you would have to do it with the VAT but now with the National Social Responsibility Levy the retailers do not have to register and as the Honourable Member said, now the VAT Office would not have to look for people to send out there or to employ more people. Actually, what the Honourable Member has argued to this Honourable House is that the National Social Responsibility Levy is more efficient for the VAT Office because they would not need as many people to administer the VAT because there is one level that you will not have, that is, that it stops at the distributor and not at the retailer.

Mr. Speaker, I honestly want to thank the Honourable Member because when you really look at it the Honourable Member has actually said it without recognising and I give the Honourable Member credit for knowing it but the Honourable Member has actually said it without recognising it.

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

Mr. K. D. SYMMONDS: On a point of order. The Honourable Member is misleading this House. I am loathed, Sir, to allow the Honourable Member to say that I said any form of that which the Honourable Member has just uttered. It is incomprehensible to me as I listened to it, so I know that I could not have said it. Mr. Speaker, Sir, it

was incomprehensible to me, I know I did not say it, I do not know how on heaven or earth the National Social Responsibility Levy could be a tool of the VAT Office, Sir. Mr. Speaker, that makes no sense and the Honourable Member should not be allowed to say that that was in my name. Mr. Speaker, shield me from that.

Mr. SPEAKER: Honourable Member, the Honourable Member is saying, look, although you spoke and you did not say that you were talking about the National Social Responsibility Levy, what you really said applies to that levy. I cannot stop the Honourable Member from saying something that is of his view. Please continue, Honourable Member.

Hon. D. St.E. KELLMAN: Mr. Speaker, that is why when the Honourable Member was speaking I clearly asked the Honourable Member whether the Honourable Member marched yesterday, because I could not believe that the Honourable Member marched yesterday against the National Social Responsibility Levy then to come here today and speak on its behalf. The Honourable Member came to Parliament and spoke on the behalf of the National Social Responsibility Levy because as the Honourable Member was speaking I turned to someone and asked the question if my phone was tapped because I could not believe that the same thing I was saying about the National Social Responsibility Levy that the Honourable Member for St. James Central would come to this Honourable House and would explain so clearly to this Honourable House and to Barbadians that the most efficient tax that you can get is the National Social Responsibility Levy. Mr. Speaker, I was waiting for the Honourable Member to say that what should now happen is that the VAT should move over to the National Social Responsibility Levy because it is a lower rate to the consumer and it will be more effective for the Government as a tax, but the Honourable Member did not say that.

Mr. Speaker, then, again, I remember well, I remember something well, Mr. Speaker, it was in 2003 when Honourable Member for St. James Central used to write an article for the Nation Newspaper that the economic theory was coined. Mr. Speaker, when I said to punish consumption and to reward production, it was the Honourable Member for St. James Central who named it "Kellmanomics".

*Asides.*

Hon. D. St.E. KELLMAN: There is a God above him and everybody knows that I do not lie, so that to hear the Honourable Member for St. James Central here this morning coming and agreeing with me that the National Social Responsibility Levy is the most effective tax and that we should get rid of the VAT and move it over to the National Social Responsibility Levy at the same level, I

cannot fault the Honourable Member because the Honourable Member has recognised that the problem is not the National Social Responsibility Levy but that it is the VAT that the Honourable Member would have introduced in 1997...

Mr. Speaker, I am sorry, I am telling lies on the Honourable Member, I want to apologise to the Honourable Member. Mr. Speaker, the Honourable Member would not have introduced VAT in 1997 because the Honourable Member was in Opposition with us at that time, so that I would want to apologise for that slip, Sir.

Mr. Speaker, one of the things that people would recognise is that the VAT has created a level of bookkeeping and also a level of effectiveness because unlike the National Social Responsibility Levy, the VAT you had to borrow money to pay the VAT but you cannot put a markup on it. Mr. Speaker, the Honourable Member has recognised that, that is why the Honourable Member felt that for retailers the VAT created a particular problem for them but that with the National Social Responsibility Levy the retailers do not have to worry about that because it comes to them as a duty or as part of the cost, so that I cannot fault what the Honourable Member has said.

Mr. Speaker, I would want to go further, I also agree with the Honourable Member when the Honourable Member said - and I know that the Honourable Member is well-read. It is quite obvious the Honourable Member reads the debates in this Honourable House and that he understands exactly what I am saying.

12.01 p.m.

I have always argued that I do not support the Basket of Goods because I believe that what Government should have done was calculate the amount of money which they would have collected with the Basket of Goods and give that money directly to the consumers of Barbados. I do not believe that you should give in this day and age a benefit to someone to give to the masses of people of Barbados. I totally agree with the Honourable Member for St. James Central on that particular issue.

Sir, it is clear that my greatest admirer and the person who understands my politics well is the Honourable Member for St. James Central, so when you hear him in here ... (struck from the Record) and saying that I am an idiot and all of that, he is only saying that because he knows....

MR. SPEAKER: Honourable Member, you cannot accuse the Member of trying to curse you and so on. That is unparliamentary.

Hon. D.St.E. KELLMAN: I said “trying to”, Sir. I did not say “curse me”, because I know it is only a pappy show. Sir, I know I talk a lot of foolishness but I am not....

MR. SPEAKER: It is still unparliamentary, Honourable Member. Please withdraw it and move on.

Hon. D.St.E. KELLMAN: I am still going to buy that Prelude, Sir.

MR. SPEAKER: Honourable Member, the comment is unparliamentary about trying to curse you. Withdraw it and move on, please.

Hon. D.St.E. KELLMAN: I withdraw that but I will still buy the Prelude, Sir.

MR. SPEAKER: It is struck from the Record. Good.

*Asides.*

Hon. D.St.E. KELLMAN: Mr. Speaker, protect me from my Members, Sir. They are interrupting my speech, Sir. Mr. Speaker, another point which the Honourable Member made, and I was very glad that he made this point, was that he saw it in a newspaper. Everybody knows you cannot quote or make reference to a newspaper, but he was so sure that the writer in the newspaper was misleading the whole public of Barbados and the world that he did not associate himself with the statement but he cleverly said he saw it in the newspaper, knowing full well that under the VAT Act those were never exempted nor zero-rated. He knew that once they were over-the-counter goods, they had to have been taxed, and there is no way that what he saw in the newspaper was true. I want to thank him for that too, because everybody knows that if you go anywhere in Barbados and you buy a Phensic, a Whizz, a Panadol or such like, once it is over-the-counter, since 1997 it was VAT-able. It was most shocking to pick up a newspaper in this country and to be misled that those items should have been zero-rated. I want to thank the Honourable Member again, because now I understand what happened. Some person picked up the International Monetary Fund (IMF) Report and saw that the IMF made a switch and believed the IMF without checking the facts. The Honourable Member for St. James Central, after picking up the Report and recognising it was wrong, said to himself, “I am not going to quote them. I am going to quote the newspaper, not the IMF.” That is why he did not say in his own words that no over-the-counter drugs were zero-rated. He said a lady in the newspaper on the Front Page put it there. He put it very cleverly and ran, and I must give him credit for that. He is also very clever because he is making sure that the Record of this House will show that when he spoke in this House, he was able to identify the benefits.

Mr. Speaker, I want to say today that I share those views with him, and if the IMF is on that page, I share it also. He made a point that about three per cent of the taxes were being collected at a particular level and that we have to maximise our resources. I support that too, because it does not make sense. The old people have always taught us that you do not burn a hundred-dollar bill to look for a five-dollar bill. I support that too, and that is why I am saying that I have been around following politics for a very long time and I know my politics; do not mind other people do not think so. In 1976 Mr. Barrow, when he recognised that the direct taxation had outlived its usefulness, turned to a sales tax. The Barbados Labour Party was able, cleverly, to go to the public and demonstrate to the public that Mr. Barrow was introducing a sales tax and that he was anti-them. The Barbados Labour Party got the Government in 1977 and removed the sales tax, but the price of goods still went higher. Do you hear what I am telling you? The sales tax was removed but the cost of goods still went higher. In the 1990s the Democratic Labour Party sought to bring the Value-Added Tax, and it was supposed to be a single tax. They did not introduce it. The Barbados Labour Party introduced it, it was not a single tax, but then they went on to carry it to a level which the Democratic Labour Party would not have taken it to. It was never to do what it did, and that is why I support the Honourable Member for St. James Central. It was not supposed to filter so low down, and it did.

Now another Democratic Labour Party Government has been able to recognise that direct taxation is a diminishing return and that indirect taxation, when one looks at the consumption pattern of Barbados, is an increasing return. Now you are hearing that the NSRL should not be dealt with even though the NSRL has demonstrated that it would create all the problems we had with VAT and the problems as it relates to doing business in Barbados. Now you see the Opposition leading a march saying it is a bad tax again. On three occasions: In 1976 they did it, in the 1990s they did it, and now in the 2000s they are doing it. On the first two occasions the public bought into it only to suffer afterwards. In 1976 the Government was changed, and by 1981 the Government which said it was going to do these things took us to the IMF. In the 1990s, the VAT was introduced and they were able to collect over \$200 million in surplus revenue and, in relation to the same thing which they are blaming us for, they were able to use the surplus VAT to spread among the statutory boards which they are now saying we should cut. In that they even included the QEH, because the QEH was part of the main Government and they moved it to a statutory board and increased the costs.

Mr. Speaker, the problem in this House is that we need to recognise that when we pick up these Financial Statements we need to see Current Revenue \$2 737 611 245, Current Expenditure \$3.141 billion; what they call a

deficit of \$400 million, Sir. That is no deficit, Sir. In modern accounting terms, it is not a deficit. It is a loss, and you do not finance a loss with cash. You finance a loss of revenue on a reduction in expenditure, and this House has to move to that level. If we keep coming to this House and saying we have a deficit of \$400 million-plus, then we would turn to another page which will tell you that we will finance this deficit by the Inter-American Development Bank, Caribbean Development Bank, the People's Republic Bank and Citibank and how we will do it under domestic financing and so on, but if we treat it as a loss, then we have to say how we are going to increase the revenue or how we are going to reduce the expenditure.

12.00 p.m.

Sir, that is why you would find trade unions who should know better by now in these times would come and tell you that the Government is wrong in introducing a national social responsibility levy. In one breath they will say to cut the national social responsibility levy because they see it as a deficit and in the other breathe they would ask you to increase your expenditure because they do not understand that if you cut your revenue and you increase your expenditure you are increasing your losses. How can you solve a problem by decreasing your revenue and increasing your expenditure, that is what you call economic madness because no Government can do that. Sir, that is why I personally could not accept the argument of the unions when they asked us to cut revenue and increase expenditure. Sir, the unions need to explain to the public of Barbados how they could be out there marching on Barbados because they did not march on the Government because when they put that argument out there, there are now anti Barbados, not the Democratic Labour Party because all they are doing is putting us in a deeper fiscal problem and we cannot get out of it if we were to follow their advice.

Mr. Speaker, I want to thank this Government for recognising that you cannot any longer continue to increase losses because if you continue to increase losses it is going to be a judgement time and for fortunately for the Democratic Labour Party, and you must admire this Minister of Finance because from early he recognised that this deficit financing if it is not dealt with would put him in trouble. Sir, that is why he is here, and that is why he has found the national social responsibility levy to correct the problems of Barbados because the national social responsibility levy would give him the revenue to reduce the losses. You can only reduce losses by revenue or expenditure but previously all other Governments prior to now thought that you could reduce losses by calling them deficits and ignoring them but this Minister of Finance has recognised that it is not a deficit, that it is a loss and that a loss can only be supported by those two measures.

Mr. Speaker, I want to say that I want to thank that Honourable Member for taking us to a higher height. I am very proud to see, according to the Honourable Member for St. James Central that there is some standing on it because he is saying that the Honourable Member has the support of the IMF on these matter. You would have heard the Honourable Member for St. Peter in the Budget speech and during the Estimates making the point that we need to take some of the advice from the IMF. Sir, if that is so, according to the Honourable Member for St. James Central, we have taken the advice but clearly, in his speech he also showed they can make some slips too when they said that prior to now that the ....(3:47) was zero-rated when he knew it was not correct. It means that you cannot take everything that is given to you by the IMF.

Mr. Speaker, I live by a philosophy that everything thing given to me is data and I turn it into information. I am glad that the The Honourable Member for St. Michael North West and the Honourable Member for St. James Central is living by that principle also, that when you are told something that you just do not accept it as information by you analyse it and put it through your CPU and you are able to information because they are people who believe that once the IMF say this or say that, that you have to analyse it. You have to analyse everything that is said to you and I am very glad that the Minister of Finance has done that and that he is not lock, stock and barrel taking all the advice given to him but he is able to analyse it, this Cabinet has been able to approve it and that we are here today. We are here and if we want to argue that we need to look at a taxation system it is not the national social responsibility levy, it would have to be the VAT.

Mr. Speaker, there is no doubt that the national social responsibility levy is a new tax. I have listened very carefully to the Prime Minister and the Minister of Finance about how well it is working and if you have a tax that is working then you need to lean on that one and seeing that it is new, it is better to correct that new one now than to try the correct the old. If you listen to what has been said by the IMF, the Honourable Member for St. James Central and the The Honourable Member for St. Michael North West so far in this debate, it is clear that the direction to go is the national social responsibility levy because, as he said, the retailers and so on would not have a burden because it does not pass down to the retailers to have to do all the unnecessary book work and so on but it makes life much easier and instead of them accusing the Minister of Finance of trying to destroy the small businesses what the Honourable Member has now admitted that with the national social responsibility levy that would not occur because now they will get a return of the payments they made out because as you know under VAT, you pay everything up front and then you recoup.

Mr. Speaker, I want to thank the Honourable Member for St. James Central for not directly making the statement but after analyzing the data he has given me that he is a very strong supporter of the national social responsibility levy, that he has recognised the benefits of it, that he has said to the Minister of Finance that he supports him and that he was misled yesterday in marching, that he did not truly understand what the march is about and now that he has analysed it three o'clock in his dream, that he has now recognised that it is the VAT he should be marching against and not the national social responsibility levy.

Mr. Speaker, I thank you.

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

Miss S.O. BRADSHAW: Mr. Speaker, I rise in relation to the amendment the Value Added Tax Act, Capp 87. The genesis of this piece of legislation was started under a Barbados Labour Party administration. The amendments that are before the Chamber today seek to raise the threshold for the Value Added Tax registration from \$18 000 to \$200 000 and also to amend paragraph 20 in the First Schedule in the Act to adjust the list of zero rated supplies under the legislation.

Mr. Speaker, I believe that members of the listening public would perhaps, be surprised today that some two years after the Budgetary Proposals were announced in June of 2015, that this Chamber is now for the first time debating the amendments to the Value added Tax. While it has perhaps, become customary for Budgetary Proposals to be laid and thereafter for legislation to follow in some cases, or for validation of the proposes to be put in place subsequently, I would want the public certainly to appreciate that this is now almost two years since the Budgetary Proposals were introduced and it strikes me, Sir, that is an unreasonable length of time for the legislation to follow. I would hope at the outset to make the point that again I believe that administrations can do better in relation to not simply in introducing policy but certainly also bringing the necessary legislation within as short a period of time as possible so that there is clarity for the public, for the persons who have to rely on the legislation and certainly for the persons who have to interpret the legislation.

Mr. Speaker, the member on this side who would have led for Barbados Labour Party Opposition made a number of observations in relation to these amendments and certainly for the benefit of the Chamber he sought to set out the reasons for the introduction of these amendments but in so doing, he also highlighted to the Chamber and certainly to the country that this administration, when these policies were introduced in 2015, the Honourable Minister of Finance indicated to the

country that it was against the background where Barbados needed to certainly collect additional revenue from taxpayers, that whilst the VAT legislation had served a useful purpose in collecting revenue and widening the collection of revenue from persons across the country that at the same time, what has emerged was that there were a number of generous and extensive zero rating measures and exemption provisions which had contributed to the gradual erosion of the revenue take and as a result Government felt the need to, in a sense, pull back on what had appeared at the time as though things had gotten out of control.

#### *Sequence 11*

Sir, I make that point at the outset because I do believe that it is a condemnation on the part of the Government that it would have waited so late, having been office since 2008 to certain seek to review the tax system of this country.

When the Democratic Labour Party (DLP) came to office it came to office again a background where there was a global recession, there was certainly in place from the Barbados Labour Party (BLP) prior to leaving office attempts to diversify the Barbadian economy in order to be able to have a platform on which, once we had gone through the recession that we were in a position to see certain levels of growth across the economy. This Administration waited until, I believe it would have been 2014, some six years later to recognise that it needed to take steps in order to widen the revenue base for the country and the Honourable Minister of Finance indicated that he had invited a Mission from the Fiscal Affairs Department of the IMF to send a team of tax experts to Barbados during 2014 to conduct an analysis of several of our major categories of taxes. Mr. Speaker, the report was received in August of 2014 and it was widely shared amongst the stakeholders in the industry including members of the Social Partnerships, the Academics and Professional Associations and other civic groups as well as the official Opposition. I make that point too, Sir, because this Administration would have had from as far back as 2014, information regarding what needed to take place in the case of reform across the tax system and we are here in 2016 now the necessary legislation with the Minister of Finance speaking as though this is some new piece of legislation that has been brought to the fore, speaking in a way as though something revolutionary is taking place today on the Floor of Parliament when in truth and in fact, Sir, a number of the recommendations have, in fact, been ignored by the International Monetary Fund (IMF) and the team of experts. One of those recommendations and the Honourable Member on This Side would have pointed it out earlier is that the threshold should really have been increased to at least \$300 000 instead of the \$200 000 that is now proposed. Initially, the threshold was at \$60 000, it was taken to \$80 000 by this Administration and in 2015, it

sought to increase it to \$200 000. Sir it is important that consideration be given to the recommendations of the International Monetary Fund (IMF). I do not believe that this Administration sought the expertise of the International Monetary Fund (IMF) to then simply dash aside the recommendations. I think it is a valid point in certainly looking at reforming the tax system, one must take into account whether the benefits of increasing the threshold would certainly redound to the benefit of the Barbados Revenue Authority. One has to be mindful that the Barbados Revenue Authority is certainly a new creature and administratively there is a severe burden that has been placed on the Barbados Revenue Authority in relation to the collection of these taxes. To ignore the recommendation, I would want to hear from the Honourable Minister why it felt that \$300 000 was not acceptable? Why it is that the legislation and certainly the policy proposal would have recommended \$200 000 and certainly whether at the \$200 000 whether since 2015 the tax revenue that the Honourable Minister of Finance would have indicated should have been collected by increasing the threshold, whether that has in fact been achieved? I think to introduce a measure such as this which on Both Sides I think we agree there needed to be an increase in the threshold but without saying more the Chamber and certainly to the people of Barbados with respect to whether or not this measure is in fact working or indeed whether another review of the threshold should certainly be considered is simply not enough. I think we need to put in perspective whether or not the \$200 000 is indeed as far as we can go, or whether, perhaps, based on the number of businesses particularly small businesses that we have in this country who find themselves caught up in the administrative procedures of having to fill complete forms in relation to the VAT, certain hire accountants in order to make sure that all of the procedures have been complied with, whether or not we are not continuing to do an injustice to the very people that the legislation is intended to protect. I make that point, Sir, at the outset.

A number of the other recommendations that, I believe, have certainly not been taken into account are set out in the Tax Reform Road Map for Simplicity and Revenue Buoyance prepared by the International Monetary Fund (IMF). Again it begs the question, and I would hope the Honourable Minister could again, inform the country why a number of the recommendations have not been accepted or in some cases not taken into account. I heard the Honourable Member for St. Lucy rise just now and deliver his presentation and I must say, Mr. Speaker, that it becomes clearer and clearer why we are in the position that we find ourselves in because as a member of the Cabinet of Barbados and certainly one who has been in this Chamber for some time, it is difficult to appreciate how a Member of this Parliament, so longstanding could on each occasion twist the information which Members on certainly the Opposition's Benches bring to the fore in such a way that it

has now become the norm to twist the information that we have provided and the statements that have been made on This Side in such a way that it then suits the Government Benches. It is really distasteful, Sir, it begs the question, whether there is any substance in terms of the proposals that have been made by the Government of Barbados and certainly by the Minister in relation to the Value Added Tax (Amendment) but it cast into question a difficulty, I think, that persons across Barbados and certainly the over 30 000 people that we saw marching yesterday have in relation to a clear policy being articulated by this Administration in relation to not just tax collection but also in relation to growing this economy. You cannot, on the one hand, seek to tax persons in the country but on the other hand, a number of the proposals which were set out in the same 2015 Budget, none of these proposals in relation to growth or the economy have actually been achieved. The Minister of Finance spoke in glowing terms of things that were happening within the tourism sector and in relation to the international business sector, legislation that would be brought, a laser-like focus that would be adopted in relation to these other sectors of the economy but while we speak of VAT amendments we cannot do so in isolation because there is a context in which the VAT amendments have been placed on the table. On the one hand, this Administration had sought to raise the threshold, not raise it high enough based on the recommendations of the International Monetary Fund (IMF) but on the other hand has sought to continue to ignore the fact that the cost of living and the cost of doing business in this country has increased for even the small businesses and also large businesses in this country. While an administrative procedure has been removed by this legislation for a number of small businesses the fact still remains that the persons who are compliant or who are making more than the \$200 000 that have to pay the VAT those persons in a lot of cases are passing on their cost of doing business to persons who are only making the \$200 000 or less and that is the reality of what this legislation and this policy and the reality of doing business in Barbados is today and I do not think that this Administration fully appreciates it.

When the 2 per cent was introduced under the National Social Responsibility Levy I can speak from personal experience that while the Rum Shops in this country were not directly impacted by the levy what actually happened is that the introduction of the levy resulted the passing on to several small businesses in this country of increased cost for a number of products and I believe the Honourable Member for St. Lucy is shielded from the same thing that other rum shop owners across the country are shielded from, but the fact remains that where you are giving on one hand there is a reality that you are taking from the other, and so we have seen now with the increase from the 2 per cent to the 10 per cent a further increase across the country of increases in alcoholic products, in soft drink beverages and even in relation to

food products, things that have been imported into Barbados which many shops across this country would use within their process for the sale of goods onto the consumer, so it is not fair when the Honourable Member for St. Lucy would want us to believe that the attack should not be on the National Social Responsibility Levy and that the attack should really be on the VAT system

#### House D 16 Seq 12

The fact remains that this Administration has failed to address the pertinent issue of growth in this country. If people are earning money, there is no difficulty in having a tax system where these persons are asked to contribute back to the economy but you cannot in good conscience after failed policy after failed policy seek then to impose additional taxes on the people of this country when several businesses are barely making ends meet.

The private sector of this country has been asked to hold strain for several years and in so doing many persons did not attempt to send home their employees but it has reached a volatile point in this country where with the introduction of this latest tax on top of the VAT it has now made it more difficult for businesses in this country to indeed survive the economic climate and so when you see big businesses and small businesses and people of different social classes and different employment levels in this country coming together in union to be able to protest against a Government that has not consulted or in cases where it has consulted previously on whether it was the Medium Term Fiscal Strategy or whether it set up other committees to advise on tax reforms in this country that a number of the proposals that have been put on the table have simply been ignored. It is not sufficient for an Administration to say take on board the Social Partnership but in the next breath completely disregard the proposals that are made by the people who stand to be affected by the very policies that have been introduced.

Sir, while we are considering this VAT amendment, I do feel that consideration has to be given to why this amendment was made in 2015. An understanding from the Honourable Minister as to whether or not he feels that we have achieved the objectives, because I believe \$20 million was supposed to be raised per annum from this piece of legislation, whether indeed the fact that the National Social Responsibility Levy has been introduced and increased is not a reflection of another failed policy on the part of this Administration. When this Administration would have taken up the VAT to 17.5 per cent it was against a background that it was a short-term measure, it was only supposed to last 18 months, but Barbadians across this country have had to bear the brunt of the value added tax of 17.5 per cent for the last few years without any clear understanding from this Administration whether there will be a reduction in the value added tax in the foreseeable

future. Indeed, the recommendations of the same International Monetary Fund in the same said Report also suggested a value added tax of 16 per cent. Indeed, that would mean that this Administration has completely ignored the recommendation yet again but at the same time it has still not alluded to the fact to the people of this country as to whether or not the 17.5 per cent tax is currently working and for how much longer will Barbadians be expected to bear the brunt of these increases in taxes.

Mr. Speaker, with respect to the other amendment, the adjustment to the list of zero-rated supplies under the legislation, the Minister spoke at length in relation to the fact that again after some eight years in office there was now an appreciation by this Administration that there were certain goods that have now crept within the basket of goods that was zero-rated. Again, I believe that is a further condemnation of this Administration that coming to office appreciating that the economic recession that was facing the world was one that was affecting this country that it had a responsibility to the people of this country to review the way in which Barbados did business at the time but to wait eight years later to now say to the people of this country well, you know the things that are in the basket of goods should never have been there in the first place. To point the finger at the persons responsible for placing it in the basket of goods in the first place is an admission further that this Administration has failed to keep up with the pace of the times because you cannot say to me on the one hand you are coming in 2015 with a recognition of these things but you did not recognise it in 2008, you did not recognise it in 2009 or you did not recognise it in 2010 and so on. It is a further admission that this Administration has dropped the ball because while the amendments at this stage coming two years later after the pre-budgetary proposals have been announced have given some relief in relation to or clarity to persons who may have been paying more at the time who should be paying more at the same time I do believe that we have allowed significant revenue to have escaped us in a period of time when we could least afford to have that revenue escape us. I think that is as I said a condemnation on this Administration for failing to look at all of the measures that were available to it years ago as opposed to coming now in the last Budget and trying to grab what it can from the taxpayers of this country in one fell swoop. When you attempt to collect 500-and-something million dollars from the people of this country in one Budget it speaks volumes to the fact that you have failed in previous years to bring down the deficit and also to be able to examine the tax system in a way that creates a level playing field across the board for all persons who would want to contribute to the Barbadian economy.

Sir, I believe that yesterday's march and certainly the voices that we hear from all sectors of this economy condemn this Government. Not that we feel that the

Members of the Democratic Labour Party do not have the interest of the people at heart, but we do feel as a country that the steps that have been taken by this Administration have been taken too late and without consultation at this stage from the people who they would want to be part certainly of the process of effecting change, it is unpalatable to expect that the people of this country would certainly be able to accept further taxes in the form that this Administration seeks to impose, and so, Sir, shrinking the number of zero-rated goods in the basket from some 400 to 200 ensuring that there has now been the ability to collect much needed revenue is a good sign but at the same time this has to be coupled with proposals by this Administration to grow the economy, and it cannot be done in a vacuum.

Too little is said by this Administration in relation to growth. Too little is said from this Administration in relation to the things that it is doing not just the policies that they come to this Chamber and speak about but the things that are actually being implemented because we are tired as a people of hearing what this Administration intends to do and each year they come back and say they intend to do it, they intend to reform the VAT system or they intend to downsize the reliance of State enterprises on the Government of Barbados. We have heard nothing further on the latter and it therefore begs the question whether this Administration fully appreciates the magnitude of the task that lies before it because it is seeking to add taxes on top of taxes in a climate where people are already stretched, already living from cheque to cheque or in some cases not having the means to be able to put food on that table.

#### *House D16 Sequence 13*

Mr. Speaker, while these amendments are late in coming and we recognised that Barbados needs certainly to come up to base in terms of international standards, I would want to urge this Administration to bring these amendments in a more timely manner and certainly also, Sir, to take into account the recommendations within the International Monetary Fund Report because I do feel that it is required reading for Members of the entire Cabinet at this stage in order for Barbados to feel satisfied that these amendments and others, certainly a review of the entire tax system, has been given careful thought by this Administration. Therefore, Sir, I would wish to state that I accept that the amendments are necessary at this stage in terms of being laid today but I do wish that the concerns that I have raised would be taken on board by this Administration. I would appreciate it, Sir.

Mr. SPEAKER: The Leader of Government Business.

### SUSPENSION

Hon. J.D.E. BOYCE: Mr. Speaker, Sir, I now beg to move that this Sitting be suspended, to be resumed at 2.00 p.m. this afternoon. Mr. Speaker, as would have been earlier stated, at that time we will be considering the Resolution raised by the Honourable Member for St. James Central.

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

*The question that the Sitting be now suspended until 2.00 p.m. this afternoon was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.*

12.42 p.m.

### RESUMPTION

MR. SPEAKER: Yes, Honourable Members, this Sitting is resumed. When the Suspension was taken, we were on Government Business and, of course, we suspended with the understanding that we would deal with the urgent matter now. We will just take a formal Motion that further consideration of that matter be suspended. Yes, Honourable Member.

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move that further consideration of Order No. 18 be postponed.

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

*The question that further consideration of Order No. 18 be postponed was put to the House, and was resolved in the affirmative without division.*

### GOVERNMENT NOTICES

Hon. J.D.E. BOYCE: Mr. Speaker, I am commanded to give Notice of the National Insurance and Social Security (Amendment) Bill, 2017.

MR. SPEAKER: I am obliged.

### FIRST READINGS OF BILLS

Hon. J.D.E. BOYCE: Mr. Speaker, I beg to move the First Reading of the National Insurance and Social Security (Amendment) Bill, 2017.

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

*The question that the National Insurance and Social Security (Amendment) Bill, 2017, be read a first time was put to the House and resolved without division.*

MR. SPEAKER: Just let me remind Members that we have two-and-a-half hours that are assigned for the discussion of this matter. I think we have already basically agreed in principle how that would go. Yes, the Honourable Member for St. James Central.

Mr. K.D. SYMMONDS: I am obliged to you, Mr. Speaker. Mr. Speaker, Sir, I am indebted not only to you but to the Honourable Leader of the Opposition and to my colleagues for allowing me to raise and discuss this Matter of Definite Urgent Public Importance. Mr. Speaker, Sir, the specific matter which I wish to direct the horizon and gaze of the House to is the deepening impasse between two members of the Social Partnership of Barbados and the Barbados Government. Sir, I consider this matter to be one of absolute urgency as it has over the course of the last two weeks led to a series of broad-based industrial actions. Mr. Speaker, we have seen the closure of the Bridgetown Port, we have seen the virtual grinding to a halt of Government-provided public transportation, we have seen services at numerous statutory corporations being affected, and all of this has led to a sense of deep foreboding, frustration and concern across the island, Sir.

Mr. Speaker, I should say at the outset that this is not from my perspective or from the perspective of the Barbados Labour Party, by extension, a matter in which we seek to censor either the Prime Minister or the Government. Quite frankly, Sir, I stand before this Honourable House to make intercession and as an ambassador of goodwill. Sir, the reason why I stand before you is really to make an appeal, to exhort the Government, to petition the Government, if you will, to meet with the Social Partnership of Barbados as a matter of urgency in the best interests of the Barbadian workers, the Barbadian homeowners and householders, families across Barbados, and businesses in Barbados which have obviously been affected as recently as yesterday by the closure of their doors in the teeth of strenuous -- albeit very polite -- protest towards the very difficult financial circumstances which are confronting this country, Mr. Speaker, Sir.

Mr. Speaker, there is obviously a context in which this matter arises, and it was on the 30th day of May that the Honourable Minister of Finance came to this Chamber and he introduced a series of Budgetary measures, from which we have a spiralling degree of protest. I think it is safe to say, Sir, that with two members of the three members of the Social Partnership at an impasse with Government, the partnership has become fractured, Sir. I think it is also fair to say, Mr. Speaker, Sir, that the net effect of the May 30 proposals was the root cause of this current impasse. What was it, Mr. Speaker? It was that \$500 million in new taxes over the course of a nine-month period is being sought to be raised by the Government of Barbados. Let us put this into some perspective: In the same Financial Statement of the Honourable Member on

the same day, the Honourable Finance Minister made it clear that Barbados' revenue stood at approximately \$2.5 billion, and to raise \$500 million would therefore be a 20 per cent increase on the annual revenue intake of the island. Mr. Speaker, the position taken from that time until now by the Barbados Labour Party has been to urge this Government to proceed with a degree of caution on that matter, because we simply feel that it is a herculean and gargantuan effort towards a level of fiscal adjustment which cannot be realistically achieved in the course of nine months, Sir. That was our position then. It remains our position now.

Mr. Speaker, we have articulated that in several ways. Many of us have asked or urged on Government to remember the error of 2008 when Government sought to raise \$106 million in one budgetary exercise, and the way it stagnated the Barbados economy. The truth is that with \$360 million of that \$500 million proposed imposition coming in the way of consumption taxes, it becomes a critical concern because those consumption taxes are likely to fall and certainly will fall, if they can be raised, on the shoulders of the working population of Barbados; the man and woman on the streets in our respective constituencies, Mr. Speaker. We believe that the fiscal and economic policies being pursued will lead eventually to the strangulation of the Barbados economy, and that position has been a clear and indisputable position maintained by the Barbados Labour Party since May 30, Sir.

Since that time as well, the trade union movement of Barbados has independently and of its own volition, recognising the difficulty faced by its constituent members, raised similar concerns. Mr. Speaker, Sir, it is on this matter that I urge Government to apply its heart to wisdom. That which has taken place in this island has seen the workers' movement speaking on behalf of labour in Barbados, making the very clear point that there are aspects of Government's financial policies and most specifically the National Social Responsibility Levy -- I recognise, Mr. Speaker, that we cannot revisit a debate of that nature on this House at this time -- whose impact, a 400 per cent increase of the Levy, Sir, has been the root cause of concern for the union. Beyond that, they have sought to place that imposition within the context of nine years of no salaries and wages negotiation in Barbados. Further beyond that, they have said that they feel that a measure of compromise could be reached by way of the introduction of a coping subsidy. Interestingly, Mr. Speaker, the coping subsidy, as I understand it, does not fall far from that which the Barbados Labour Party committed itself to on the day following the Budget when the Leader of the Opposition, pointing out the same concerns, made it abundantly clear that we are really talking about the ability of Barbadian families to feed themselves.

Interestingly, Mr. Speaker, the coping subsidy as I understand it does not fall far from that which the Barbados Labour Party committed itself to on the day following the Budget when the Leader of the Opposition pointed out the same concerns and made it abundantly clear that we are really talking about the ability of Barbadian families to feed themselves. I think her exact language went so far as to say the ability of Barbadians to survive in these economic conditions and therefore, her recommendation and of the Barbados Labour Party by extension was a cost of living allowance but howsoever turned, the type of intercession and intervention sought remains fundamentally same on humane consideration and that, Mr. Speaker, Sir, has been the burden of the difficulty between union and Government thus far.

Mr. Speaker, private sector in Barbados has expressed its own concerns and those concerns have been what they deem to be an absence of satisfactory dialogue. They have pointed us to the fact that they have been invited at the level of Social Partnership which was hastily reconvened after a prolonged period of not meeting prior to the Budget and Committees were put in and that in the aftermath of Committees put in place recommendations were made to the Government some, according to the Prime Minister in a recent speech, some short term, some medium term and some long-term, but that is the nature of recommendation and there is nothing new about that but that we as a country do not know which recommendations, if any at all form part of the Budgetary Proposals and measures and tell us its own tale.

Mr. Speaker, the private sector has expressed its own Concern, labour has expressed its deep concern, the Opposition has expressed its own concern but continue to be willing to try to pull this vital group we call the Social Partnership of Barbados together.

Mr. Speaker, I remember when I was in the Ministry of Foreign Affairs and Foreign Trade all around the world, people used to speak about the miracle, that special and peculiar, almost unique thing called the Social Partnership of Barbados which was not easily replicated or found anywhere else and, Mr. Speaker, we have come too far in our struggle for that now to be fractured and to see this type of impasse.

Mr. Speaker, the truth of the matter is that the consumption tax that Government has introduced has been one which falls without compassion and from which there is no shields. It falls without mercy on the aged, the vulnerable, the disabled, the poor, the economic marginalized and at the level of 10 per cent it threatens to destroy the livelihoods of people. The union has made it clear that they are open for extensive dialogue in the hope of finding common ground and this, in our view, is vital because the worse economic crisis that this country knows

is upon us and, in fact, the worse set of fiscal policies that this country knows has also been visited upon us. Sir, let us be frank what is a distinction between a 8 per cent pay cut and a 10 per cent national social responsibility levy, only that the 10 per cent national social responsibility levy is likely to bite more deeply especially for those who are in deep poverty and it is on their behalf and in their stead that I speak today, those who are in poverty in Barbados because, Mr. Speaker, Sir, a person who is earning \$600 a week in the country does not enjoy the luxury of discretionary expenditure. He or she must eat, he or she must spend what he or she earns on transportation, he or she must spend it on food, on toiletries and on rent to shelter themselves. There is no discretion and so therefore when you carry their cost of living up in the way it has been done and as is proposed to continue to do it become unconscionable and that, Sir, has been the concern of the union. I think that we lose a lot of ground when we are getting lectures on the predatory instinct of the mongoose and the predatory instinct of the lion and so on and so forth. The truth of the matter is that the Prime Minister when he says that he wants to have a march so people will see how far people will go in order to pursue their perverse objectives, digs his heels in, in a way that hurts and hinders progress rather than advances it and I hope that he can understand and accept that in the spirit in which it is given. It is the worse possible posture to adopt at the time. Sir, if you had any doubt that, all you have to do is to cast your mind back to the 2012 Country Assessment of Living Conditions Study done by the Inter American Development Bank for Barbados. Sir, in 2012, before the economy suffered a downturn, this is a brief synopsis of the findings. The indigent poor in the country stood at 20 per cent of the individuals. Sir, 20 per cent of fellow Barbadians are living below the poverty line, 15 per cent of households in Barbados were at the time before the downturn in this economy was living before the poverty line, that poverty line was measured at \$7 000 a year. Sir, these are the people on whom this cascading tax is supposed to fall. Sir, by extension, the point was made in the same study that poor households in Barbados headed by females were at 62 per cent and that the unemployment rate in those households was as high as 26 per cent. Sir, that is in 2012, before the steep and sharp decline that we feel now.

Mr. Speaker, Sir, the reality of the situation then is how can you in good conscience maintain this position of austerity without trying to seek compromise in every way possible. The problem, Mr. Speaker, Sir, is not resolved by references to the racial makeup of persons who have expressed concern, the problem cannot be resolved by reference to the predatory instinct of animals. The fact of the matter is, as I have said before is that if a business person is losing his or her clientele, he or she has a legitimate concern in Barbados and if that person's clientele cannot go and do business with the business entity because there is simply no more disposable income then

they too have a legitimate concern in Barbados and we in this Chamber have a duty not to old talk about that concern but to find the broadest possible means of consultation to bring that difficulty to Resolution.

Mr. Speaker, no one challenges this Government on Section 62(4) of the Constitution. No one disputes that ultimately the Government and the Government alone will have right to implement policy but we do say that the implementation of policy must be done within a spirit not of churlishness (8:07) but of mutual respect. If the argument of the Prime Minister is tht he was disrespected then I stand in support of the Prime Minister to say that should never have happened but I also say to you, Mr. Speaker, that there is no unity of thought on the outcome of the so-called six hour meeting on June 23rd. I make this a document of the House, a letter of July 5th written and signed by Mary Anne Redman, Acannie McDowell and Toni Moore directed to the Leader of the Opposition of Barbados where they say as follows: (8:45)

“For the past years the workers movement like many others have remained concern with many of the approaches taken to remedy the economic situation of Barbados. whilst registering our dis satisfaction even pubily at times, we have demonstrated a resolve to promote economic and social stability and cooperate towards the best possible outcome for out people. (9:06)

*Tuesday, July 25, 2017*

House D 16 Seq 17 2.30 p.m.

Miss S. J. O. BRADSHAW: “... thousands of workers and their families who would be forced to take more than they can bear. Beyond compliance we sought to engage in discussions that would bring ease to the public servants who in the absence of salary and wage adjustments over eight years would find further imposition intolerable”. Not a word, Mr. Speaker, in this letter with respect to using and NSRL to pay salary increasing. I do not say that the letter is designed back in 5th July to reflect a lack of credibility of the Prime Minister towards the end of July but I say that if the Prime Minister’s position is correct that the NSRL was supposed to be in agreement that you will pay salaries by September then, Mr. Speaker, it fell to the Prime Minister to write to the labour unions and to remind them as he picked up the phone, or pick up the phone and call them as he picked up the phone and called the head of the private sector to say whatever he had to say to them, but the silence and the impasse between the workers’ movement of Barbados representing the people of Barbados as we do as well, Mr. Speaker, that silence on the part of the Prime Minister cannot be accepted. I go further because in a subsequent letter on 11th July, the union indicated the further to their correspondence of 5th July -- and I make this a document of the House as well -- in

which we asked that Government reconsider the draconian measures proposed in the 2017 Financial Statement, some of which have already been imposed, we write this letter to lament: 1) the fact that today there has been no effort by Government to respond to the content of the letter and the recommendations for ease from the resultant hardship imposed by the Budgetary Proposals and 2) the lack of attempt to convene further meetings to discuss the possibilities of easement of taxation measures most especially the NSRL by way of a reduction in this tax, a coping mechanism or subsidy or a speedy completion of salary negotiations that the unions suggested is compromised.”

Mr. Speaker, I wish to say in the last couple minutes that remain to me, no entity out here Opposition, NGO, nobody can dictate to the Government the type of policy it proposes with regards to taxation, but what we say, Mr. Speaker, is that when we are facing the most difficult circumstances that the land has known in post-colonial time then, Sir, we have a duty to find the broadest possible level of consultation and I urge this Honourable House, Mr. Speaker, to urge on the Prime Minister and his Government that they be a return to the table to negotiate with the social partners, first of all. Secondly, Sir, that we deepen the social partnership so that it becomes more truly representative of the people in Barbados. The Opposition is not part of the social partnership as it now stands neither are the non-Government organisations, which includes the Church of Barbados. Mr. Speaker, we talk about civility and respect. We owe it to ourselves to be able to say, irrespective of whether you are in Government or the union or the private sector that letters have been responded to, that there has been an outreach on matters where the impasse continues to exist. You cannot have 30 000 people on the street marching in protest, Sir, and it be treated to as though it did not happen. We are saying, Mr. Speaker, that it is a duty on the part of the Government to respond to the ongoing concerns of the union because Barbados cannot afford the one day that the Port shut down last week. Barbados, Sir, by extension cannot afford the next step of having the Airport shut down for a day, or two, or a week or two, or three. The implication for people who are in common, Sir, is disastrous. The implication for people who need to have goods provided to their stores or people to buy goods from stores because of health conditions on a weekly or bi-weekly basis is disastrous.

Mr. SPEAKER: Honourable Member, that is your last sentence please.

Mr. K. D. SYMMONDS: I am obliged, Sir. We have seen how Venezuela treated with intractable positions and it resulted in the destruction of the economy and the society and I am asking respectfully, Mr. Speaker, by way of intersession, that this Government and this Prime Minister

return to the negotiating table as a matter of urgency, certainly long before 18th August as is currently proposed.

I am obliged.

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

Hon. R. D. JONES: Thank you very much, Mr. Speaker. I am pleased that the speaker from the Other Side as he introduced the Resolution said that he did not come to censor but to be an intercessor and to make an appeal to the Government of Barbados that sits on This Side. Of course, the Honourable Member went on to be quite pointed in some of his declarations but that is not my roll this afternoon.

This afternoon I wish to set a context in which what we have been seeing unfolding over the last several weeks, indeed over the last several years all form a particular nexus and at this time is being exploited by several individuals within our society. I want to go back, Sir, to the formation of the social partnership which took place in the early 1990s but more particularly the consolidation of that social partnership which started around sometime in 1993 out of which a Prices and Incomes Protocol flowed. At that time and if you remember, Sir, the first thing presented to the country as a whole was an Incomes Protocol which spoke to the worker basically making sacrifices in order to help in the stability of the social and economic framework of Barbados but it, as a result of common purpose adopted then by the Trade Unions and Staff Associations of Barbados, that we were able to have what can be considered at this time and at that time to be a most effective mechanism for the management of the difficulties that were present within Barbados.

Out of that developed what we called a meeting of the full social partnership and a meeting of the subcommittee of the social partnership and that subcommittee comprised of, I believe, three ministers of the Government, members of the public service, individuals in the trade unions and individuals from the employers' group, the Barbados Private Sector Association or Organisation and the role as we understood it then was for consultation on a wide range of matters which should be drawn to the full social partnership for their analysis and sometimes to be referred to the full social partnership also for their analysis and their decisions. The social partnership was established under various protocols -- and I believe we are at Protocol VI, I believe we are working on Protocol VII even as I speak -- so that you moved from that initial Prices and Incomes Protocol into a situation which broaden the base of those things to be discussed those things to be looked at including issues of industrial relations, environmental concerns, sustainable development, in other words, you are widening that net of safety which immerge

in Barbados out of the throws of the difficulties of the early 1990s.

We are in a situation today where the major crisis that has impacted on our economy and society continues still to bite on our heels. One cannot fault to Government for trying to find various mechanisms to quickly dispel those difficulties which have hurt all of us but yes, more particularly those who are vulnerable in our domestic space, but we have also put in place certain coping mechanisms which would aid those persons who have been impacted by many of the issues which have confronted this economy and society. We have put in place free bus fare journeys for our children to get to school, that is a coping mechanism.

#### House D 16

We have adjusted the tax bands. We have done so many different things that I am sure that Honourable Members would remember in order to ameliorate some of those blows that persons would have hitherto felt, so it is therefore difficult to comprehend why yesterday persons would have put on their walking shoes and would have marched from, I believe, Queen's Park back to Queen's Park, I do not know the particular journey. I believe what we have encountered is both the unions but more particularly the private sector agency sticking their feet quite hard into the turf and demanding of the State, that is not how a social partnership works... It is set up on equality or equal share of information and of knowledge. We sit together as equals. What has been happening, and these things must be told, and I think that is where the Government must take some blame... What was conceived and developed and delivered in the first part of the 1990s and maybe up to as far as 2000 in the various social partnership was a sharing of ideas, the protection of workers and a keeping of prices to reasonable rates, all of that, but what you are having now is persons varying their positions from that particular edit that was established moving out before calling on the Social Partnership for dialogue and delivering their particular case in the public space rather than seeking the dialogue.

The Government of Barbados has continued to pursue a conciliatory agenda. Calls for meeting have always been responded to even outside of meetings of the Social Partnership. Indeed, we have heard of the meeting of June 23 which will be less than one month after the Budget debate in this House on May 30, so that is about 23 to 24 days, where we sat with the trade unions and discussed concerns and issues of theirs. Yes, we do not form unions. I am sad to note that there have now taken a posture that somehow the Government is anti-union. This Government continues to support with taxpayers resources in the various training levies or training funds that we have and we continue to give to unions to support their membership and

to help sustain their budgets and to find at this stage that they are saying you no longer want to relate to us...

The Government itself cannot be totally silent in the face of the kinds of behaviours being visited on the Government and people of Barbados generally where there is almost every day some wildcat activity or wildcat behaviour when we are even talking. There is a standing principle in the trade union movement and with partners that you meet with that you only resort to industrial action when one of the partners, in this case it would be the employer or the Government in this instance, puts a position that is retractable where they do not want to move or where they do not want to listen, but this has not happened in this instance. Indeed, we have heard that coming out of the meeting of June 23 that a proposal was put by one of the members there at the time that look: We have come to discuss the National Social Responsibility Levy and what might be the possible consequences of that on Barbados, and it was put that if you cannot give a salary increase in light of that at this time we will wait to see what the outturn figures would be and would you return to the discussion table in relation to salaries and wages to see what we can get because continuing all along in what we call the non-salaries issues we were having discussions and meetings with CTUSAB and with the other players who might no longer be members of CTUSAB. We were having these discussions so it is not that the Government was not having a conversation with the various players.

This particular dilemma, and this is a strange dilemma, because it is not really known throughout history really where the capitalist class, the owning class, the employer class has taken on board in this kind of direct way the cries of the working class, this is unknown, unless they found common ground and we have hardly found common ground. Even this display does not demonstrate common ground in this society because the employing class, the owning class, will return to their businesses as they seemed to have done yesterday, open their doors and still take the same amount of profits off of the people of Barbados, they will still do that. They will not seek as we did under the leadership of Sir John Stanley Goddard back in the early 1990s, a gentleman of the highest repute, who with his particular style was able to work with the trade union movement in relation to salary increases and in relation to price increases to help ameliorate the difficulties of that period. In this time that is what we need. Notwithstanding the National Social Responsibility Levy, there is a call and there should be a call for them as well to look at the profits they have been making, and many of them have been making significant profits year upon year, and this seemed to have been missing the eyes of the public of Barbados and seemed to have been missing the eyes of the Opposition. In fact, we are not saying to anybody that you should not make a profit, that is the nature of the game. In fact, they have made substantial profits off of the goods

and services provided in the most difficult times by the Government, you can name them. Roads to be built, you know who build those because they have the equipment. The unions continue, as I said, to be supported by training funds and all of that. Why have you adopted this stance? Somebody argues, I do not argue because I do not know, that behind all of this movement there are hidden palms but that is not for me to speak on, I do not know, I am just mentioning it because there is a sizeable segment of the Barbadian population that speaks to this, that there are hidden hands behind some of it.

What has also happened notwithstanding the exercise of democracy is that this Government has not said to anybody you cannot march. This Government supports democracy and democratic principles. We did not send saboteurs to disrupt the march by white, black, yellow, brown or pink. We did not do that. We did not organise any forces to disrupt it. We have had marches in this country before. We have had bigger marches than the one we had yesterday that walked the streets of Barbados without one glass being touched. I was there. I am an authentic member. You will see my name signed on the first Prices and Income Protocol. It could stand the test of time. If you look at the pictures you would see me in the front of the march. I have not changed my spots regardless of if I am in the Government or not because we stand for workers' rights and workers protection, that is what we do. We are in different dire circumstances which call on all of us to stand up as men and women and to bear some of the responsibility for the survival of this country. This is not what is happening. It is the wicked, vicious and nasty undermining of the Government that has been noted - you see a lot of people do not know what we know, but there is a time in place, not by you, you are a good constituents of mine, keep quiet - for a long time because somebody believes that we should have gone in 2009, 2010, 2011 2012 and surely by 2013 we should no longer be representing the interest of the people of Barbados.

#### *House D16 Sequence 18*

Mr. Speaker, that was the stated view, it is captured in many articles written both in the regular media and also in the so-called new media which is at present as a result of the worldwide web.

Mr. Speaker, we understand and I have argued... My colleagues can tell you that I have said and that we have accepted that circumstances, once they change, workers should benefit from whatever positives that are tossed up within this society. As a trade unionist who understands all of these nuances in relation to salaries, wages, increments, et cetera, I have looked at it myself.

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

Hon. R. D. JONES: Mr. Speaker, what we have not done is gone for a wholesale cleansing, cleaning, getting rid of persons, bodies, people, their resources, in the private sector. Mr. Speaker, as a result of that we have had to take other decisions, yes, as I said in 2013-2014 we have had to release some members of the public sector, particularly in the quasi-Governmental organisations, but we have not dismantled the general public service in Barbados, we have retained them. Mr. Speaker, these are people who get increments every single month and the Honourable Member for St. Michael North West can tell you how that increment is impacting on the wages and salaries bills of Barbados.

Mr. Speaker, we have not stopped it, we have had to make some other adjustments in Barbados and we are thankful to the public servants of Barbados for their support, for the way that they have worked with us through difficult times. Mr. Speaker, there is only one Barbados and we do not need to open historical sores in this country and this Government has not. We have now gone back into history and speak of all the damage and dangers that have been done to another segment of the society. Mr. Speaker, do you know what I am seeing now because of this? I am now seeing the comparisons of a black Government and an economic body that is principally of Caucasian origin. I do not necessarily align myself to those commentaries, I am saying that. The Honourable Member for St. James Central would know that I have spent some time looking at what is happening in Barbados by tracking what happens even on the Barbados Labour Party's sites, their Facebook, blogs and all the other things, to see what is happening in Barbados but persons are seeing the rawness of this being exposed to damage the Government.

Mr. Speaker, this Government will meet with the Social Partnership because we believe in it, we were founders of it and therefore as founders of it we will continue to work within the Social Partnership but there cannot be the kind of disrespect that you expect that a Government would easily swallow; persons with whom you have conversations leaving you with one idea or impression and the next day sending you a letter telling you that if you do not do "A", then the natural consequences would be some of what you had yesterday. Mr. Speaker, we cannot have that, you cannot hamstring, you cannot tie your Government's hands in the way that persons would want to tie the hands of Government, Government must be free to take those decisions within the best interest of the country.

Mr. Speaker, you will have dissention, you will have varying views, you will have differing voices, if you are displeased with the Government there are ways and means of expressing that particular displeasure of the Government, but when you say to workers that you are closing your business, that their must dress in their uniform

and must go and march, that is denying the rights in our democracy of the workers. Yes, you have a right to close your business, the worker has a right to decide whether or not he or she is going to march. Mr. Speaker, that march yesterday is a watershed moment in the history of Barbados and if it is not dealt with in a manner that will either resolve or calm some of the historical difficulties, one is going to see a fundamental change in the bedrock of Barbados.

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

Hon. R. D. JONES: Mr. Speaker, I know that persons do not see into the future because it is unknowable but we also rely on instances of the difficulties of the past. I would want to reiterate that the Government stands ready to have serious dialogue with the various persons involved in this country, persons right across the board. We will meet with employers whenever. We will meet with the unions whenever. We will not stop from meeting with them as we have done in the past. Mr. Speaker, this Motion for Definite Urgent Public Importance we have taken the time to start to debate it, we will continue to debate it, we did not try to shut it down, we respect the Opposition for bringing it, but at the end of the day you cannot work in a conspiratorial manner to create the kind of atmosphere that has been started for some long time in Barbados and is almost reaching its crescendo by that march of yesterday. I thank you.

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

Mr. D. G. SUTHERLAND: Mr. Speaker, I rise to speak on this Motion for Definite Urgent Public Important that speaks to the Honourable House calling upon the Right Honourable Prime Minister and Government to convene a meeting of the Social Partnership without further delay to address the concerns of the two members of the Social Partnership. Mr. Speaker, I will open my contribution to this important debate by referencing Nelson Mandela, where he said, and I quote: "For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others."

Mr. Speaker, some 80 years ago, in the 1937 riots, it was Clement Payne who shared the vision of Sir Grantley Adams and the passion to break free from the oppression of the plantocracy and encouraged working masses to seek a better life. Mr. Speaker, it was also Sir Grantley Adams who recognised that this country could not develop, that there could be no economic development in this country without improving the working conditions of the masses in this country, so that some 80 years ago we fought for freedom from the plantocracy, we fought for freedom from the merchant class. Mr. Speaker, we never thought that

come 80 years later, Mr. Speaker, that the people on this country, whether they are the public sector, private sector or the masses would be fighting for freedom from the Democratic Labour Party.

Mr. Speaker, when we speak to freedom we must conceptualise the word freedom -- freedom of speech, freedom to march, freedom to express oneself, freedom to live comfortable lives in this country. Mr. Speaker, I must say that with regard to the Democratic Labour Party we are living in a way that Barbadians are being robbed of their dreams and that they are being denied of a better Barbados.

Mr. Speaker, this Motion before this Honourable House... Mr. Speaker, in the budgetary proposals of May 30, 2017, on the Thursday that I spoke I said in this Lower Chamber that the Honourable Member for St. Michael North West should reconsider and remove the National Social Responsibility Levy.

3.05 p.m.

Now we come two months later and I can hear from the Member for Christ Church East (Central) with his rhetoric just now. He did not connect with the important issue at hand. Sorry, Member for Christ Church East, I am speaking about the Member for Christ Church East Central. He did not connect with the issue at hand. He is speaking about this whole aspect of the Social Partnership, what it meant and what it means. We know what it means. It has been destroyed by the Democratic Labour Party, Mr. Speaker. This is not the first time. Mr. Speaker, when you can get in this Lower Chamber and you can refer to union leaders as (struck from the Record) ... when you can do such in this Lower Chamber to refer to union leaders who make up the tripartite arrangement of the Social Partnership; when you can refer to these persons who have represented workers' rights since 1937 -- years ago -- when the trade union was birthed out of the need to represent workers' rights; and when you can continue to disrespect the trade unions week after week and month after month, this is just a culmination of the events that occurred in this country over the past nine years. Do you think that the unions and the private sector just woke up and decided to march?

MR. SPEAKER: Honourable Member, just a minute. Who referred to the credit union movement's leaders as fanatics armed with guns? Who are you saying said that?

Aside.

MR. SPEAKER: I am not talking to you, Honourable Member for St. George North. Honourable Member, you see, that casts aspersions on the entire House, so unless you can say who in this House referred to people

as fanatics armed with guns, I want you to withdraw it and let us move on.

Mr. D.G. SUTHERLAND: Mr. Speaker, the Right Honourable Prime Minister. The Right Honourable Prime Minister in 2015 when he referenced the trade union movement, he used the term "fanatic armed with guns" to express the National Union of Public Workers' leader.

MR. SPEAKER: In this House?

Mr. D.G. SUTHERLAND: Not in this House. I am sorry, Mr. Speaker.

MR. SPEAKER: Hold on. You said "in this House"; that is the first thing.

Mr. D.G. SUTHERLAND: Withdrawn, Mr. Speaker.

MR. SPEAKER: Withdrawn and it is struck from the Record.

Mr. D.G. SUTHERLAND: Not in this House, Mr. Speaker.

MR. SPEAKER: Continue.

Mr. D.G. SUTHERLAND: The point to be made, Mr. Speaker, and I am not going to spend too much time dealing with red herrings, is that the Right Honourable Member for St. Michael South, the Prime Minister, used the term "fanatic armed with guns" in referencing the President of the NUPW. That is what happened in this country, Mr. Speaker.

MR. SPEAKER: Honourable Member, I would caution you that when I caution you and so on, it is not a red herring, so please do not disrespect the Chair by referring to my caution as a red herring. Thank you very much.

Mr. D.G. SUTHERLAND: I am a very respectful Member of this Lower Chamber and all the Members in this House can speak to me as a very respectful Member of this Chamber, and I am sorry if it is indeed seen as disrespect. Sorry, Mr. Speaker. Anyhow, Mr. Speaker, this is a very important matter being discussed here because it speaks to a level of trust, and I will go back to our Budgetary Proposals of 2016 when the National Social Responsibility Levy -- call it a tax because we keep using these fancy terms like levy -- of two per cent was introduced. Some of the benefits of the tax then, Mr. Speaker, were said to be for financing critical aspects of health care in this country, that it would be used to buy a new fleet of trucks for the Sanitation Service Authority, and that \$5 million would be used to finance the national cleanup campaign. Mr. Speaker, let us ask the Members on

the other side, the Member for St. Michael North West: How much of these items have been achieved with this two per cent NSRL which was introduced.

Aside.

Mr. D.G. SUTHERLAND: How many, Mr. Speaker? Now we have come in the 2017 Budgetary Proposals and increased the NSRL to ten per cent. Now that is an increase of eight per cent, and that is supposed to raise some \$280 million by the end of the Financial Year, and over a two-year period it is supposed to raise \$500 million. Mr. Speaker, we said in this Lower Chamber, and I am not mixing any words here because I will not be as diplomatic as the Member for St. James Central because the people of this country and the trade unions and the private sector represent the people of this country, whether it is business, the middle-class people or the people in the Public Service. They are not satisfied with this NSRL. Whereas, Mr. Speaker, the Right Honourable Prime Minister can say that the Cabinet is responsible for setting policy, that is known, but the tripartite arrangement that was initiated and started by the Democratic Labour Party recognises the importance of key stakeholders' input into policy and economic development in this country. Whereas you can talk about the Democratic Labour Party and your Cabinet setting policy, you too have disrespected the other key stakeholders in this country because they are responsible for reviewing policy and bringing forward bright ideas that have so developed this country since 1937. You cannot ignore the private sector or the trade unions. If you ignore them, you will do so to your peril. Mr. Speaker, I am saying to you that we have reached in this country the threshold limit; a culmination of issues that have occurred over the last nine years.

Mr. Speaker, I will list a few: Docking of teachers' pay on two occasions to hold meetings, the Employment Rights Tribunal not meeting and backlogged for three years, prison officers disgruntled, school meals workers having to reapply after ten years working in a job, customs officers disgruntled, Beautify Barbados workers sent home without vacation pay, Barbados Investment and Development Corporation workers in the court, and issues with the Barbados Secondary Teachers' Union and the Barbados Union of Teachers; a culmination of issues, Mr. Speaker. The unions and the private sector did not just get up and say to the people of this country, "We have a problem with the Government." All of these events which we spoke about, and I can list many more, we the Members on this side told the Democratic Labour Party that its policies and its programmes were hurting the people in this country. You have destroyed the middle-class people, you have increased gasoline prices and diesel prices; I spoke about that in the last Sitting of this Chamber. Mr. Speaker, I am asking you to free the people of this country. The chains are off. In closing, because there are a number of my

colleagues who want to speak, let us live in a way that respects and enhances the freedom of others in this country. I am obliged to you, Mr. Speaker.

MR. SPEAKER: I am obliged. Yes, the Honourable Member for Christ Church South.

Hon. J.D.E. BOYCE: Mr. Speaker, I am grateful for the opportunity to join the consideration of this Resolution brought to the Chamber this morning and approved by yourself for the consideration of the Chamber. The truth is, Sir, I perused the Resolution a number of times since I have had possession of it and I am slightly amazed at the range of presentations so far by the Members who brought the Resolution. I have looked at the purpose of the Resolution, and it seems to me that the whole objective of the Resolution is that the Government set an Ordinary Meeting of the Social Partnership for August 18, 2017, almost another four weeks from today's date.

"Be it resolved that this House calls upon the Prime Minister and the Government to convene a Meeting of the Social Partnership without further delay to address the legitimate concerns of the two members of the Social Partnership, other social partners and the people of Barbados generally."

3.10 p.m.

Sir, I really have concluded that the members of the Opposition are really stretching the imagination of the people of Barbados when they want to contend that the differential between what is contained in the final paragraph of this Resolution and what is penultimate paragraph is a matter for this level of dispute or this level of separation of thought.

Mr. Speaker, this morning when we came to this Chamber, we were presented with the approved Estimates of Revenue and Expenditure for the year 2017/2018 and it is that almost automatically my copied opened to the page under health and I started to reflect on the entire debate that has been occurring in the country ever since the introduction of the Budgetary measures on the 30th of May, and I am certain for the area which the Honourable Members on the other side find so contentious or so unreasonable that they would want, and as referred to by my colleague, the Honourable Member for Christ Church East Central to be that hidden hand, so to speak, behind what we have seen transpired in the country. Sir, as a matter of fact, the Honourable Member who introduced the Resolution was able to quote from a letter penned to Miss Mia Mottley, Leader of the Opposition in the Parliament of Barbados and signed by the three union leaders in the middle of a negotiation which is taking place between the Social Partnership of Barbados. I heard him referred to the contents of the letter and I am not going to spend any time

speaking about it but I think that it helps us to understand where that hidden hand maybe, what glove may that hidden hand be in. It helps for the people of Barbados to understand one of the simple messages we bring this evening in response to the Resolution.

Mr. Speaker, it has been made very clear by the earlier contribution on this side, that we recognise the right of Barbadians to protest in orderly fashion. We recognise the right of Barbadians to negotiate for increases or for changes to certain factors but we also recognise the right of the Government of Barbados, whoever forms the Government of Barbados, to come up with a fiscal policy which seeks to administer the affairs of this country in an ordinary manner answering many of the questions which are constantly being asked of this country's decision makers. Mr. Speaker, prior to the Budget the country resonated with clear request that we look seriously at the question of correcting position of Barbados. It cannot continue. Madam, as a matter of fact, to be more specific, the country and indeed the Minister of Finance on this side made the point that the question of printing of money by the Central Bank of Barbados is something which we must be and are rightly concerned about. We have to recognise that part of this correcting and righting of the economy would allow us to retain a stronger presence in the world economic markets, allow us to access certain concessionary funding or better rating funding to allow us to roll-out the many projects which we contemplate and which I am sure will be contemplated in the very near future. Instead of that, we wonder too, what is that secret hand behind a lot of the impositions being put between the implementation of the projects in Barbados. I refer, Sir, without any reference to the court matter to the project at the Hyatt Hotel on Bay Street, where but for a single objection, that project would be rolling out today and Barbadians would be employed and the Honourable Member for City would be a much happier camper. Sir, the truth is that we have blessed with a leadership in the person of the Right Honourable Prime Minister who allows the rights of every citizen that is entitled to be played out.

Mr. Speaker, we have made it very clear that the vulnerable in the society will always be important to us and we will continue to put measures in place to ensure that the vulnerable in the society are given some kind of assurance. Sir, as a matter of fact, the matter which we shall return to after the two and a half hours dealing with this "urgent matter", will be one in which we see a realignment of the basket of goods made available to the country and I will make a contribution on that debate too because importantly it speaks to the fact that we are expanding the basket of goods on which Barbadians are not required to pay VAT, hence reducing the cost of these goods to the people. Is that not a considerate Government, Mr. Speaker, Sir? We are increasing the minimum collections on which VAT are chargeable from \$80 000 to \$100 000. Again, Mr. Speaker,

this is a significance and important amendment because it puts in place an arrangement where many more small businesses who turn over between \$80 000 and \$100 000 would now be able to operate their business without having to do VAT returns.

Mr. Speaker, the ability to recognise the important measures that must be put in place to allow a country to go forward in a balance way is not loss on this administration. Sir, the Honourable Member who spoke first on this side made the point about the fact that business people in Barbados are allowed to make profits. One of the regular cries by Barbadians is the kind of prices we are required to pay in our retail sector and in our supermarkets and in our regular shops and sometimes we are challenged as a Government to provide evidence to the people of Barbados as to how the markups which are put in place in the retail sector are constructed. What is the extent of profit by the small and medium size and large business people in the country. Why is it that certain business people are able to establish very similar entities to what are accustomed to... We cannot call names in here but there would be opportunities when names would be called and that you can find goods available for the people of Barbados at significantly lower rates tahtn are being offered in some of the traditional sector. Sir, that is why these entities are so popular among Barbadians. It demonstrates the fact that there are certain sectors in this community of Barbados who are making money on the backs of Barbadians and there is no law requiring them to demonstrate to the Ministry of Trade, the Ministry of Finance or any other Ministry how their markups are constructed.

Mr. Speaker, I say that maybe this is an area that we must visit as a country and try to let every one understand that in the same way that Government is complying to the matter of discussion of fiscal policy while reserving the right under the constitution to make those final decisions that are required for the collection of taxes, it may be timely for us to make it compulsory for certain sectors to demonstrate how they arrive at their prices.

#### *Sequence 21*

It is not a popular view but it is one certainly which would help to guarantee the level of prices that we have to pay in our retail sector.

Mr. Speaker, it is not foreign because we do it in the drug service because prices are set under a tendering process and once those prices are set those are the prices the drug service pay for the pharmaceuticals that we provide free of charge to Barbadians. It is an important concept and it can be extended so sometimes I have to join the chorus, what exactly are we asking for in this country? We need to ask ourselves that. I know that there are members of the society who would benefit from a rigid

price control regime. It does not matter to the Honourable Member for St. Joseph. His income supports any lifestyle that he feels like encouraging at the moment and time. The people that we largely represent, the masses of people in Barbados do not enjoy that luxury literally. Mr. Speaker, the accusation is no consultation. I want to refer the Honourable Chamber to pages 28 and following of the Budget Statement by the Minister of Finance on 30th May and if time had permitted I would almost read it verbatim but, Sir, it speaks to the fact that there was considerable consultation between the social partnership and the Ministry of Finance. The Prime Minister of Barbados set up two working groups. I think one was called the Fiscal Working Group and the other was the Foreign Exchange Working Group who were tasked with presenting ideas for the consideration of the and note, Mr. Speaker, for the consideration not for the implementation because some of the ideas, as I understand it, has been shared with myself as a Member of this Government are not ideas which we support like the getting rid of 3 000 and 5 000 workers so as to immediately impact our expenditure. We are not part of that and we have made it very clear that one of our mandate, one of clear objectives is to maintain the jobs of workers and in maintaining the jobs of workers we also have again to turn to the private sector where so many workers complain about their conditions of work, at least in Government you are guaranteed a significant minimum wage in the region of some \$405 to \$500 a week but there are businesses in Barbados who not only have to come under scrutiny for the way they mark up their prices relative to the imposition of taxes from time-to-time but also from the way they treat their workers. Our security companies are very regularly referred to by workers in my constituency who speak to the conditions that are offered up by them and I make no apologies for making these points because these points have to be made. We are not saying that security companies are necessarily riddled with profits but these are the realities of operating a business sometimes so they too need to be scrutinised. Mr. Speaker, we need to ask ourselves, what are we asking for? What do we want in this country? What level of discussion do we want about the collection of taxes, about the collection of levies, about the collection of mark ups by the private sector? Since the private sector wants to have this level of discussion well then, Mr. Speaker, I want to charge that all of these areas that I may have touched on, are part of what has to be considered in a Barbados going forward. All of these matters have to contend.

Mr. Speaker, as I end where I started, I believe that the Members of the Opposition expected a difference response to this Resolution and when I refer to a response I mean a different reaction all together so they are kind of caught on the back foot because my information was that last night at the meeting of their Parliamentary Group the strategy was to plan a walk out. That was a clear strategy discussed last night, my information, Mr. Speaker. A walk

out would have been planned because this was not to happen really, this was just a smoke screen but here we are now. We are actually confronting the movers of the Resolution to bring some validity, to bring some justification, to bring some merit to the document which they have laid in the Chamber especially in conditions where the Right Honourable Prime Minister has already stated - and I believe he will speak in detail to it when it speaks in this debate -- that he has set the date for the next meeting of the social partnership and that he has also received a response from the private sector. What is this about? What is this hidden hand? What is this hand in glove? What is this frivolous and vexatious document all about? What are we trying to legitimise, the activities of the Opposition? They have a right to object. They have already stated what they are going to do. We had a long presentation on the Democratic Labour Party (DLP) Budget by the Honourable Member for St. Michael North East and every other sentence she prefaced it with "as Prime Minister of Barbados". I have already obtained a copy of the presentation and I am going to peruse it and I am going to share it with the people of Barbados. What are we dealing with? We are dealing with a group of persons who by the way, have largely to the man and woman, been rejected by the people of Barbados before for their performance or their lack of performance in Government so these Honourable Members, Mr. Speaker, are not new to anybody in Barbados and that is a factor which they have to remember. I know the Honourable Member for St. George North is fully aware of the fact that everybody in Barbados knows him so he cannot come back to the people of Barbados with any newborn story, neither can the Honourable Member for St. Andrew and least of all, the Honourable Member for St. Michael North East.

Mr. SPEAKER: Honourable Member, you need to wind up.

Hon. J. D. E. BOYCE: When that time comes, Mr. Speaker, we will speak to all of the hidden hands that have so far been a part of this entire scenario. Mr. Speaker, I believe that this Resolution is being given the consideration it deserves. We have decided on This Side to make sure that our contributions are mature and speak to the points and I hope that Barbadians who are listening to this discussion under the seriousness with which Barbados is faced, the need for solutions and not talk, the need for us to buckle down and work with the solutions and the Right Honourable Prime Minister has given the commitment to the parties involved that these discussions will continue. I see no merit in the Resolution, Sir.

House D 16 Seq 22 3.29 p.m.

I see no merit in the Resolution, Sir, and I therefore cannot support it.

I am obliged to you, Sir.

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

Miss S. J. O. BRADSHAW: Thank you, Mr. Speaker. I rise, Mr. Speaker, to support this Motion for definite urgent public importance which has been led by the Barbados Labour Party Opposition. Mr. Speaker, it would be accurate to say, I believe, that having laid this Motion before you yesterday by the Honourable Member for St. James Central that I would have seen you, Mr. Speaker, on the road yesterday as members of the unions as well as the private sector and masses across Barbados would have been protesting against the National Social Responsibility Levy as well as protesting against the lack of consultation in relation to Budgetary proposals. I know Mr. Speaker, that given that you were one of the only Members of the Government side that no doubt would have witnessed the number of persons marching, I believe it is up Roebuck Street, that you no doubt would have felt a sense that this matter should be given prevalence today in relation to this debate.

Mr. SPEAKER: Honourable Member, I am not in a position as I always say to join in the debate or contribute anything. The Standing Orders are clear as to why it had to be allowed and I considered it based on that alone, so please leave me out of your debating and so on. Please. Thank you.

Miss S. J. O. BRADSHAW: That is fine, Sir. I will draw my own conclusions and I am sure that public of Barbados who saw you would do so as well. That said, Sir, this matter that is before this Chamber is definitely of urgent public importance. It is one of the issues which right now plagues the masses of persons across this country in relation to their financial situation. It is a matter which, Sir, speaks to the fact that as a Government no Government has all of the answers to everything in relation to the administration and management of the country. It speaks to the fact that we are living in a time when our people are more clued in to what is happening overseas, they are clued in to what is happening certainly within the halls of Parliament and they are clued in to what they would like to see for their future and certainly for the generations to come. Sir, it is against that background that I am concerned about the tone of the Prime Minister's response to the request by the unions and the private sector to be able to meet and to discuss these issues in relation to the National Social Responsibility Levy because our history has shown that all of our leaders in the past have taken time out to meet with our people and to listen to their concerns. Indeed, the Democratic Labour Party triumphs the fact that they are the persons behind the Social Partnership, but to say in one breath that you are the persons behind it but at the same time to disregard the fact that their voices which

are being heard, not one or two voices but over 30 000 people marching yesterday in total disgust and protest, that you can ignore the large proportion of the population in relation to the impact on this levy is a total disgrace to this nation.

The fact remains, Mr. Speaker, that it should not be surprising to the public that the Prime Minister has taken this position because the Prime Minister has not disciplined any of his Members of Parliament in relation to comments in relation to persons speaking out in this country against Government policies. Honourable Members on the other side when persons wish to protest in this country, whether it was against the Municipal Solid Waste Tax or against budgetary proposals, have spoken about cracking heads and shooting people and about enemies of the State and most recently Honourable Members on the other side have been heard to allege that those who serve in the trade union movement are now members of team Barbados Labour Party. That is where we have come as a nation where instead of listening to the voice of reason and believing that people have a role to play in their democracy, instead people are victimised, they are told not to speak out and they are condemned for expressing an opinion in this country and then when we have to listen to persons like the Attorney-General of this country, then take a particular tone short of calling the trade union membership idiots but querying in this country whether our educational system has failed us. They were described as mad men for standing up for the rights of workers in this country. It is not surprising that the Prime Minister has continued along the same course that other Honourable Members have taken in his Administration, it is not surprising.

It is also not surprising that persons who engaged in the last march organised by the Barbados Labour Party were referred to as the 'blue box cart people'. Those were the statements made by Honourable Ministers of this Chamber about people who have stood up for their rights, people who have protested against the impact of policies imposed by this Administration. We have heard that there would be bloodshed in the streets of this country if people exercise their democratic right to take to the streets of this country in peaceful protest. We have heard that the Barbados Labour Party leaders are behind the movement to oust the Government. All of these allegations have been made and all that has been asked by the trade union movement and the private sector in their country is for the Honourable Prime Minister, the Minister of Finance and Economic Affairs and whomsoever he chooses to bring to the table, to consult with the members of the country, the people who matter in this country because I believe that the Honourable Prime Minister forgets who has put him there and I believe that Honourable Members on the other side forget who have put them there as well but, Sir, Members of the Barbados Labour Party do not forget how we have gotten here, so when we are accused of shaking hands with

the heads of the unions leaders or walking alongside union members, I say to you that the Barbados Labour Party was born out of the bosom of the trade union movement and we will remain loyal to representing labour in this country.

The fact remains that you have had in this same Parliament two Members on the Democratic Labour Party side speak out against the same National Social Responsibility Levy. The Honourable Member for St. James South spoke out about it in the same Budget. He dismissed the fact that he felt that this could even work. The Honourable Member St. Philip West has spoken out on every single thing that this Government has tried to administer in this country but he was most vocal in the last Budget debate when this National Social Responsibility Levy was introduced and in so doing he spoke to the fact that there needed to be debt consolidation, that there needed to be a review of the way in which this Administration was conducting the affairs in this country and in addition to all of the social programmes that this Administration that he believes has introduced that were unwarranted at the time that they had introduced it, that this Administration needed to refocus on the implementation of these policies.

Sir, it has not come simply from the Barbados Labour Party, it has come from the internals of the Democratic Labour Party that the National Social Responsibility Levy will impose a further burden on the taxpayers of this country, on the business people of this country and to a wide cross section of Barbadians both employed and working across this country. To that end, Sir, the Barbados Labour Party having had these issues not only ventilated in this Chamber but also having received the union movement when they last protested as well feel that it is our responsibility to bring this matter to the highest office in the land, to the Parliament of Barbados. It is not sufficient for the Prime Minister to come on television at a Democratic Labour Party luncheon and indicate to the public of Barbados that what the unions are saying is untrue, that there is supposed to be a meeting because the problem that the people in this country have with what the Prime Minister says is that this same Prime Minister has a problem of believability and it is so because on several occasions this Prime Minister has said no persons will be sent home and then we saw people sent home.

#### *House D16 Sequence 23*

Mr. Speaker, this same Right Honourable Prime Minister also said to this country that people would not have to pay for tertiary education. That same Right Honourable Prime Minister, Mr. Speaker, is the same person who told us on one occasion that one thing would happen but who then had to retract on a further occasion. Mr. Speaker, I will not call the Right Honourable Prime Minister a liar, I will not do so, Sir, but I believe that the

Honourable Member's credibility has been called into question, particularly at the end of the movement yesterday where we sat in Queen's Park and listened to members of the Trade Union Movement putting forward a completely different account of what transpired.

Mr. Speaker, I would want to refer to an article that appeared in "Barbados Today" on the same night of the meeting with the Right Honourable Prime Minister. The headline stated, Sir: "Union Renewed the Strike Threat as Budget Talks End in Stalemate." Mr. Speaker, there is nothing in that that suggests that there was any agreement between the Right Honourable Prime Minister of Barbados, the Trade Union Movement, or anyone for that matter, it was clear that there was a stalemate. Mr. Speaker, what is worse, Sir, is that in the same lunchtime lecture the Right Honourable Prime Minister of this country then alluded to the fact, for the first time ever, the Honourable Member did not do it in the debate in the Budget, but for the first time with recent discovery the Right Honourable Prime Minister speaks about a situation where when the unions will meet with him at the end of September, that at that point is was to look at how the levy had been working to determine if there would indeed be a salary increase.

Mr. Speaker, Sir, that was never mentioned by the Honourable Minister of Finance and Economic Affairs, nor by Honourable Members on the other side, let us get real, the Right Honourable Prime Minister is suffering from believability and it is an issue of credibility at this juncture. All of the Trade Union Movement cannot be wrong, the leaders of the Trade Union Movement are not idiots, they are all educated under the same system that all of us have been educated. Sir, it is unfortunate that we have had to come to this place today to be able to put forward a case, that the Right Honourable Prime Minister needs to get off his high horse and to take some time... Mr. Speaker, nobody is going to point fingers at you if you step back and say, listen, we need to avert further industrial action, let us come to the table and have a discussion urgently, not on August 18th but as soon as is possible to avert further industrial action.

Mr. Speaker, you are spending moneys on CARIFESTA, you are spending moneys on Cropover, Sir. We are at a serious juncture in our timeframe in terms of when this country is able to make foreign exchange. It is urgent, Sir, that we do not continue this situation. Mr. Speaker, I urge through you, Mr. Speaker, for the Right Honourable Prime Minister to address this matter with urgency, it is a matter of Urgent Public Importance. I am obliged to you, Sir.

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

Hon. R. L. SEALY: Mr. Speaker, I rise to speak on this Resolution. The Motion before this Honourable House is a Motion of Definite Urgent and Public Importance. The Resolution is calling for the Right Honourable Prime Minister and Government to convene a meeting, so that we have a matter of Urgent Public Importance to convene a meeting of the Social Partnership. Mr. Speaker, the Social Partnership was described by the mover of the Resolution as a miracle. The Honourable Member for St. James Central, harping back to this days at the Ministry of Foreign Affairs and Foreign Trade, declared how much pride the Honourable Member had in talking about the Social Partnership internationally, a creature of a former Democratic Labour Party Administration and therefore something in which we take a great deal of pride.

Mr. Speaker, the Honourable Member also made an interesting call to expand it to include the churches, non-governmental organisations and so on, but that is something that the Right Honourable Prime Minister is on record is calling for publicly. It is true that the last Government had 14 years and did not think that they should have done anything then but I understand... That is basically a very good idea.

*Asides.*

Hon. R. L. SEALY: Mr. Speaker, in the spirit which the Resolution was moved I will stay in that spirit because the Honourable Member, in very uncharacteristic style, attempted to be cerebral and say that this matter of Definite Urgent and Public Importance is an intercession on his part, that it was not a motion of censure, that the Honourable Member was not trying to rabble-rouse, but that the Honourable Member is simply interceding. Mr. Speaker, I will attempt to take my time from the mover of the Resolution and maybe just to lay some facts that might be useful.

Mr. Speaker, I find it a little difficult to see why we have come to this point in asking for the meeting of an entity that has been meeting, that has been meeting regularly, and that has been functioning. The full Social Partnership met as recently as March 3rd. We have already heard that another meeting is scheduled for August 18th and I believe the participants have been confirmed. The Sub-Committee of the Social Partnership has met on March 31st and May 12th this year. We have the two Working Groups. We have had the Action Teams last year. This is a partnership that has been functioning and therefore I cannot join with any notion or any view that it becomes a matter of definite urgent and public importance because "a meeting needs to be rescheduled." Mr. Speaker, apparently August 18th is too far away. I do not know if the Resolution should have gone on to say that we should have the meeting by the 10th, by the 8th, by the 2nd. I mean, what really is it that

we are about? Mr. Speaker, the Social Partnership has been engaging and has been engaging on fiscal issues.

Mr. Speaker, a Fiscal Committee was established, ideas were put forward, things that can be done in the short-term, in the medium-term and in the long-term as well. Mr. Speaker, I am saying therefore that a lot of what we are hearing really and truly does not necessarily follow. The Social Partnership I think agrees that we want to preserve Barbados' social fabric and indeed a lot of the language I have heard with respect to recent taxation decisions taken by this Government, some of that language is aimed at exactly what we are trying to avoid. In this very Resolution you talk about the taxation being excessive. We hear language like "it was a deterioration of living standards", "burdensome" "oppressive." Let us deal with the alternative, if we did not raise taxes and Barbados had to find itself having to spiral into economic turmoil, let us imagine how things would be then. I think that is what we have to keep in mind when we deal with the tax policies, Mr. Speaker, of this Government. Mr. Speaker, no Government likes to institute or raise taxes but what is the alternative. The Opposition always presents a very stern silence on this issue, they tell you not to borrow money from the Central Bank of Barbados, not to do this or that but at the same time we cannot increase taxes. Mr. Speaker, I think that we need to understand why the Government is doing what it is doing.

Mr. Speaker, in that regard, I note even harping back to the 8 per cent salary cut for which a former Democratic Labour Party was criticised, when it was time to restore that 8 per cent the same private sector that stood up with the unions were asking why was it being restored, that there was no need to restore it, so that you need to be very careful from whom you are getting support and what is motivating them.

Mr. Speaker, in that regard, I know that a lot has been made of the march yesterday and I want to speak to that as well. Mr. Speaker, like all Honourable Members on this side who have already spoken, I would want to say that we did not put anything in the way of people peacefully protesting. For that matter, we have gotten use to this, A.G.M. now for the Barbados Labour Party means the Annual General March it seems, it seems they are marching every year and they go on. Mr. Speaker, all the police permits were given, this Government has not stood in the way of any one of the peaceful protests that they have had and so I think that the Honourable Member for St. Michael South East suggesting that somehow we were trying to stop anyone from peacefully expressing their opinion is really not accurate.

Mr. Speaker, I have to say, though, however, that with respect to the march yesterday there was obviously something that was a little worrying that was occurring. I

want to say, I have heard 15 000, I heard 21 000, I have heard 30 000, but I supposed that the numbers would soon be up in the 40 000s just now but that is fine.

4.02 p.m.

The Members can talk about the 30 000 who were there but I will also talk about the 255 000 who were not there. There are a lot of Barbadians and they have some views on what took place yesterday too; even some of them who were there. Those are whom you also need to think about too; a lot of them.

*Asides.*

Hon. R.L. SEALY: Mr. Speaker, if you have an employer who looks at someone in their employ, someone whom they are purchasing labour from, and you tell them, "Look, I am going to pay you and give you a day off or a half-day off." Then you tell the person, "Oh, by the way, there is a march. You do not have to attend but I am going." What are you really telling that person?

*Asides.*

Hon. R.L. SEALY: That is subtle coercion.

*Asides.*

Hon. R.L. SEALY: If I am the boss and I am telling you that you do not have to go but I am going, and "by the way, other people in your department are going", what is going to happen next time when there is a promotion or there is something involved? It is a subtle form of coercion however you look at it, and there was a lot of it going on yesterday. There were people with notepads taking names to see who were present and who were absent. The Members out there can fool themselves if they want to, but that is fine. This is the reality: the subtle and the not-so-subtle means of coercion that were occurring yesterday.

Mr. Speaker, I am going to use this opportunity through you to speak directly to the union movement in Barbados, because I know there are those who would want to see a Democratic Labour Party Government really go after the unions, and in particular the Barbados Workers' Union (BWU), of course, the largest and the biggest of them all, but we are not going to get involved in that at all. I, however, feel compelled to speak to the leadership of the union movement, and in particular the BWU. I think the only thing which can save the National Union of Public Workers is probably an election and a fresh executive team.

*Asides.*

Hon. R.L. SEALY: I believe that the leadership there means well and wants to do well, but they are a little

misguided, Mr. Speaker. I can speak personally about the work I did with the current General Secretary when she was an officer. She was not the General Secretary then, and we worked together on restructuring the tourism entities and we did it effectively. Yes, there was fallout. There were voluntary and involuntary separations, but she understood the national importance, and because of that partnership with that young lady at the time we had a record 632 000 tourists last year. Destination Marketing International is looking at Barbados as a case study for how Destination Marketing organisations should be run globally. It is one of only nine in the whole world and the only one in the Caribbean. The Social Partnership is not only about convening a meeting; it is about how Government interfaces on a daily basis with private sector organisations, and how it interfaces on a daily basis with union organisations. In that regard, let me commend the Barbados Hotel & Tourism Association and the Barbados Chamber of Commerce for disassociating themselves from yesterday's activity. It goes to show. I want to commend the members of the private sector who are progressive and patriotic enough to recognise when they should disassociate themselves from something that is not in the national interest. I think that is important.

*Aside.*

Hon. R.L. SEALY: This idea that there is unanimity and yesterday was something representative of what is going on out there is not true. There are elements in the private sector and elements in the trade union movement that were not supportive at all of what happened yesterday.

*Aside.*

Hon. R.L. SEALY: At entire Government departments and Ministries, including Tourism and Foreign Affairs, everybody was accounted for.

*Asides.*

Hon. R.L. SEALY: Tell me, including NUPW part-time members, why were they not there?

*Aside.*

Hon. R.L. SEALY: You have to understand these sinister forces, Mr. Speaker. Would you believe the Barbados Workers' Union was leading a protest and you were seeing that the Bridgetown Port, the bastion of BWU support, could not participate? Do you know why? Look at the list of those private sector companies which were shelling out the money; importers, traders and merchants. They cannot afford to have the Port affected in any way. All of these insidious forces at work, and I would hope that we listen carefully to what the Member for Christ Church East Central was saying. I also thought his treatise on the

history of the Social Partnership was important too, but the point is that we have to be aware of what is really occurring here, Mr. Speaker. We have to understand. Again, the same way that I can commend those enlightened elements of the private sector, I will condemn those who are anything but.

Mr. Speaker, let me return to the leadership of the BWU in particular, because I am calling them out. I believe they are the ones who can actually lead some greater sense of national appreciation to maybe get the 'esprit de corps' in the trade union movement going in a different direction. Now I know that we will pooh-poo this point that the Prime Minister was making about how you can have people who have been set off against each other forever now to be all of a sudden the greatest and best of friends. It is a fundamental point. Eighty years ago this very month, as you know, there were riots in this land out of which came the progressive agenda that included the union movement. I saw photographs with my own two eyes of people marching shoulder-to-shoulder with the unions of Barbados yesterday; people who have told me -- this is nothing I heard about -- that Barbados would be better off without unions. People marching at a union-sponsored event who would be happy and pleased as punch to drive up Hindsbury Road and to see BWU boarded up, with a "For Sale" sign, and shut down. I am calling out the leadership. You do not go after a Government that is willing to sacrifice political capital to keep your people employed. You have to support the Government that is trying to keep jobs, and you are going to join shoulder-to-shoulder with people who despise the trade union movement and say so openly?

*Asides.*

Hon. R.L. SEALY: Some of them even have practices where they do not even allow unions to.... I have had on occasion to bring to the attention of the leadership of the BWU hotels that were doing things which I thought were regressive, and I encouraged them to move in. We always work together. I am very clear. I have a good relationship with both of the hotel associations -- the Intimate Group and the BHTA (Barbados Hotel & Tourism Association) -- but I make it very clear where I am in politics and who I represent. In St. Michael South Central, there are way more hotel workers than hoteliers, and those are who, as a Democratic Labour Party person, I represent. Therefore, I think it needs to be clear. I will not be drawn into any trap or any attempt to get me to start attacking the unions.

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

Hon. R.L. SEALY: Everything I said today which was addressed to the unions is made out of love. Indeed, Mr. Speaker, you know this quite well as a happily married

man: sometimes it is your loved ones who give you the best criticism, because that is what is needed. That is all I am saying, really and truly.

*Asides.*

H:No.D16 (25)

You can speak about that but one day I will be able to speak. The point is that I want to say that we note this Resolution. I do not consider anything urgent about it. It really ... the course for this Government. The Social Partnership is alive, the Social Partnership is effective, the Social Partnership is meeting and when you go beyond that at the level of the subcommittee when you go beyond that the relationship that exists between for example, the tourism sector and the Ministry of Tourism, the relationship that exists between the manufacturing and the Honourable Member for St. James South, the relationship between the BASS and the Honourable Member for St. Philip West, we have a strong connection going with the private sector as well as the unions and we will continue to build and develop so that this miracle, to use the words of the mover of this Resolution, the Honourable Member for St. James Central, this miracle, as he described it, the Social Partnership can continue to grow from strength to strength. We will meet on August 18th and we will probably have proprietary meeting before that and we can work our way through this difficult period to see that in the end Barbados and Barbadians ultimately benefit.

Mr. Speaker, I am obliged to you.

MR. SPEAKER: The Honourable Member for City.

Lt. Col. J.D. BOSTIC: Thank you, Mr. Speaker. I rise to make this brief intervention to this motion of definite, urgent public importance and I so fully supporting the motion which calls upon and in my view urges the Prime Minister and the Government to convene a meeting of the Social Partnership without further delay to address the legitimate concerns of the two members of the Social Partnership, other social partnership and the people of Barbados generally.

Mr. Speaker, there are two fundamental points that I want to make here in the 10 minutes I have available to me. First of all, I want to say that the current state of industrial relations in the country, the current climate that our country cannot afford and escalation of this climate. This is something that we all need to deal with in here before I get to the other points I want to make, so that is one aspect of it, the country. The other aspect of it is that our citizens, a lot of them that I interact with daily, announcement afford the 10 per cent of the national social responsibility levy, so these are two things that we have at play. Sir, somewhere along the line some balance must be reached. I am urging

the Right Honourable Prime Minister and the Government to convene the meeting with Social Partnership, reconvene it, if you want to call it that, at the earliest possible opportunity in the interest of the people of this country because time is running out. I am saying that time right now is of the essence.

Mr. Speaker, I speak in this Chamber at this time not to gain any political point of the sort, I speak because I have to interact with some people on a daily basis in the country that are finding life very, very difficult under the whole gambit of the imposition of taxes on the backs of those who cannot afford to. This is the issue and we cannot just view it in isolation. This comes with the increase of VAT, 17.5 per cent. We are looking at increases in utility bills up to 60 per cent. We are looking at increase in prices. We are looking at increase in licences, even liquor licences and the ability of small shops to be able to have karokes to be able to subsist to earn a living. There have been challenges in that regard and the 10 per cent national social responsibility levy is going to create some fundamental and significant hardships for a large number of people and, Sir, that is of concern to me. Sir, that is the major concern here.

Mr. Speaker, when you look at all the other things, the increase in gas prices and everything else, there is a sizeable portion of our population who will not be able to manage, to subsist. I say, Mr. Speaker, that we have a large number of micro businesses throughout this country and certainly within the urban corridor from people with trays, people who sell a little food for living, people sell a little drink, vendors and so on, who will find it difficult as a result of this. I am saying that there needs to be some sort of consultation, go back to the table... Sir, history is replete with examples of people who come together to deal with matter that affect the people and matters that affect the State and I am saying that we need to get these consultations going, not in August but at the earliest opportunity in order to avoid the escalation of the social problems that we have at this moment in the social climate. Sir, that is the second thing I want to say.

Mr. Speaker, I have heard a lot of things being said in here today and I thought this would have been an opportunity really for the Government to listen and to take heed and not to have this combative attitude and approach. We are sending all kinds of signals all over the place. For example, the person who spoke before, the Honourable Member for St. Michael South Central...

*Asides.*

Lt. Col. J.D. BOSTIC: Yess, the march was large, there were a number of people out there yesterday but do not say that whole Ministries did not turn up when we know a letter was issue and no permission was granted for

people to participate and that their salaries would be dock. Would you then expect them to go?

*Asides.*

Lt. Col. J.D. BOSTIC: No, no. Let us get serious. Mr. Speaker, I say that we require cool heads and I am urging and calling on the Government to meet with the Social Partnership and not on August 15th. This is a serious national situation that has to be address and the Government needs to treat it with a degree of urgency. Sir, it is all this talk and we bring in all these things about colour, race and so on. Come on, let us cut that out. This is Barbados and we are all Barbadians and the point of the matter is that we have a large number of people who will be seriously affected. In fact, the impact of this levy has already started. If we are all honest in here especially those of us who urban constituencies, we have been feeling the impact totally and it is, of course, a matter of urgent public importance for the Government to deal with this matter. we cannot come in here and deal with all kinds of other things that we can wait on because they are not of national importance but a matter that is effecting everybody in this country and we want to dilly dally with it and we cannot afford to do so.

Mr. Speaker, we always speak about who is for the workers and who is against the workers and all of that and I am saying to this Honourable Chamber that the Social Partnership which was established back in the early 1990s, as far as my understanding goes with this, Government played a significant role and that role was to keep taxes down, generally speaking and to promote the environment for development.

*Sequence 26*

The private sector were supposed to keep their prices down and where labour is concerned there was wage freeze in the beginning which then went to wage restraint and I am saying that in all of this, the people that have suffered most are the workers and the labour movement has kept its part of the bargain in terms of not asking over the last several years for wage increases except for recent times because the prices are going up, the taxes continue to be burdensome so that is the only resolved that is left. I am calling on all of the parties, Mr. Speaker, in the Social Partnership and I am calling on Government to take the lead and get back to discussions. Open the door for negotiations and for consultations on behalf of the people of this country.

Mr. Speaker, with that I am obliged.

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

Hon. Miss M. A. MOTTLEY: Thank you very much, Mr. Speaker. Mr. Speaker, I am obliged to you for allowing and permitting this debate and suspending the ordinary business of this Honourable Chamber to facilitate a debate requested by the Honourable Member for St. James Central on a matter that we believe to be definite, to be urgent and to be of public importance.

This country has been gripped by a satiation of work and by a satiation of commerce because two of the three social partners believe that they have not had the opportunity to appropriately advance dialogue on matters of fundamental importance that two of three partners could feel that way without more necessitates that we stop and ask what has happened amidst our affairs to cause that which has not happened in 25 years to have suddenly occurred. That is what makes this significant and historic. Our Side believes that as Members of this Honourable Chamber we are part of the Government, Parliament is a part of the Government and we come here therefore today simply to make a plea. There will be time enough for us to distinguish ourselves and our governance between the two parties. That lies ahead of us as it has done in the past. There will be time enough for us to show the country why we believe we can offer the country hope as this Government continues to be purveyor of social pessimism as one commentator in the Nation Newspaper reflected today. There will be time enough to show why we will not preside over a consolidation of wealth that is perhaps the greatest consolidation of wealth since Governments have govern this country in 1944 by this Democratic Labour Party (DLP) Government. That is not the time for us today. There will be a time when we will speak to the difficulties that are carried over from a colonial past but it will never be with the acidity and the ranker and the divisiveness that we saw take place this weekend on social media and to people's faces by operatives of the Democratic Labour Party (DLP) no less a person than a consultant paid for by the last speaker of the Democratic Labour Party (DLP), the Honourable Member for St. Michael South Central whose Ministry continues to pay him and we can only assume to spout the venom that is being spouted on social media on a racial and divisiveness basis in this country. What is insidious is that I would suggest that he gets an opinion from the Honourable Attorney General as to whether the Government is not being made liable with him as an agent of the Government reflecting racial slurs and divisiveness in breach of the fundamental rights and freedoms of the Constitution of Barbados. The Attorney General needs to advise the Honourable Member for St. Michael South Central that he should terminate the relationship with a person who is going to put the Government in trouble even if the Honourable Member for Christ Church East Central wants to distance himself from those racial slurs. Today is not the day for me to warn the Honourable Member for Christ Church East Central or the Attorney General of the tone but I would simply ask them that if you are going to

lead this country as an Attorney General and as a Minister of Education example counts and the notion that you can simply attack people who reflect different opinions in this country cannot be on when things are good and certainly cannot be on when the country needs all hands on deck because all we do to divide and rule, and ridicule, and cause us to come off target. Mr. Speaker, that is why I would like to thank all Honourable Members who spoke on my side who, I believe, tried to keep this debate focus. What we need to ask ourselves is what is it that is necessary 1) to deal with the well-being and well fair of this country at this turbulent economic time and this time of social crisis and what is it that is necessary to stabilise the condition of individual citizens of Barbados who are finding it difficult to be able to make ends meet and who against the background of a draconian tax increase in the form of the National Social Responsibility Levy are unable to make it cannot be found by a Prime Minister taking an adversarial attitude in the context of a partisan political event to respond to legitimate concerns of two of the three social partners in this country.

This debate today, Sir, is for us to do one thing and that is to say to the Prime Minister there are times, all of us know, when we may believe in our heart of hearts that we are justified in being and holding a position but I trust and pray that the Prime Minister would learn from a previous leader of the Democratic Labour Party (DLP) that there is no merit in being adamant. I sat in my house one Sunday night back in 1994 and I heard a former Prime Minister and former leader of the Democratic Labour Party (DLP) say: "They were adamant and I was adamant and something had to give." If nothing else, let us learn from history and history requires us to recognise that sometimes leaders, particularly those who are charged with the responsibility of the leadership of a country that it is not simply the leadership of a Government or the leadership of a party or the leadership of a Cabinet with which you are charged but it is the guardian of the national heritage and patrimony of a country. If the other two parties in a social partnership are aggrieved, if you take an adversarial position that is adamant and that is a partisan location and that is reinforced by a further partisan speech within hours, to whom shall those two partners appeal in the interest of the stability of this country.

I have known what it is to have to leave balls outside the off stump. I have known what it is to have to take lashes because in circumstances the interests of the party which I lead could only be compromised if you sought to prove that you are right. I have known what it is to ask for the Grace of the Lord to keep quiet and for wisdom to be applied unto my actions and thoughts. If I ask for nothing else today I ask for this Parliament to pray that we apply our hearts to wisdom and that we remember the national interests which we have come here to serve and that we saw without further ado, not on August 18 which is four

weeks again, but that which lies within our purview is a meeting tomorrow. I in the same way that we can find time to treat to other urgent matters, understand as the unions said on the night of June 23 when they spoke to the press and indicated that there was no agreement. They said that their people would starve if they were forced to wait. This Government and this Prime Minister went to BMEX after the Budget Debate and at BMEX gave businessmen the assurance that he would deal with the 2 per cent commission on foreign exchange transactions.

House D 16 Seq 27

This Government has dealt with it. The Minister of International Business spoke in the debate and alerted the difficulties to the international business sector with what was announced initially by the Minister of Finance and the Minister of Finance with despatch clarified that it did not apply to the international business sector.

On the 6th of November 2013, this Government gave away tens of millions of dollars to Sandals and within six weeks announced the layoff of 3 000 workers in this country. I say to this Chamber that let us not be those who prevail rhetoric on behalf of workers and shed false tears but put the interest of workers at the back. When the workers issued an ultimatum which perhaps was ill-advised, 48 hours, to the Prime Minister, he took umbrage and he has not spoken to them. When the private sector issued the same ultimatum to the Prime Minister to give him to Monday afternoon 4:30 he spoke to the private sector. How you do come now cursing the private sector but you are in all your actions catering to the private sector and putting the interest of labour at the back of it?

When I hear the Honourable Member for St. Michael South Central talk about how he puts the interest of workers in St. Michael South Central over hotels, I have difficulty in believing it when I see Valery and I go down the hill and see The Grotto and I see it built by the same person and when I go to the Port and I see the Port allowing that same person to use the Port as a workshop for the creation of cement piles and I see across the water a cement building going up in breach of Town Planning regulations, but he is for the workers. The language does not match the action.

I say simply today time will come for all of that but what we do not want... Last week governmental entities in this country went on go-slow as a form of industrial protest. They went so because they believe that two letters, one of which was written on the 5th of July and one of which was written on the 11th of July, remained unanswered. Now, they wrote me as Leader of the Opposition as well. On the 11th of July, I wrote them back and I wrote them back with respect to the same concerns that they wrote the Right Honourable Prime Minister, and I

believe that it is my duty now to place on record for the Government as a part of this Government which this Parliament is, the position of the Barbados Labour Party such that this country can know that we need to move forward in the interest of stabilising the wellbeing and welfare of the country and in the interest of stabilising the wellbeing and welfare of our citizens who cannot wait four more weeks for a Government to decide that it wants to meet a Social Partnership. If you have a child and the child says they need to speak to you urgently, you make time. If you have an employee and the employee says that we need to speak this afternoon and not for the meeting that has been set two weeks from now, you make time. What kind of Government ignores the entreaties of its equal partners in development in circumstances where that ignoring leads to the monumental effort that people made yesterday that in spite of the intimidation, in spite of the attacks, in spite of the letter from the Head of the Civil Service to make a note of everybody who was not at work on 11th of July and I assume yesterday again, that in spite of all of that, tens of thousands of people went on the streets. I do not get into the numbers game because this Government would at their peril ignore voices of the people made in legitimate democratic protest in this country and for the Honourable Prime Minister, before I quote the letter, I respond to him with the two references to the Constitution that he made on Sunday. Section 48 of the Constitution in (d) empowers this Parliament to make laws for the peace, order and good government of Barbados. There can be no argument that can support the kind of draconian 400 per cent increase in the National Social Responsibility Levy as being for the good government of Barbados by the admission of his own Members of Cabinet in breach of the Cabinet collective responsibility prior to the introduction of the Budget and the Cabinet meeting that they would have attended that would have approved the Budget. They sat down in a Cabinet meeting and approved a Budget and then breached collective responsibility on the Floor of this House when they said that they could not support the National Social Responsibility Levy and the increase that was being done. The Honourable Member for St. James South and the Honourable Member St. Philip West.

In respect to Section 64 (2) the Honourable Prime Minister took umbrage and reminded the country that the Cabinet shall be the principle instrument of policy, but may I remind him and all other lawyers in this House that principle does not mean exclusive and when this Constitution was drafted in 1966 it did not seek to make Cabinet the exclusive instrument of policy and that the advancement of governance in our country saw to it that a Social Partnership develops on which we are all agreed is in the interest of the country.

Mr. SPEAKER: You need to wind up.

Hon. Miss M. A. MOTTLEY: Thank you. We therefore believe that that should now be the position that would allow a deeper and broader Social Partnership including the non-governmental organisations and the Opposition to be a place, and we commit to this as a party, where matters of national governance can be discussed without prejudice to the right of Cabinet to settle policy and the right of Parliament to make laws for the good Government and peace and order of this country.

Mr. Speaker, you have indicated that I should wind up and therefore I make formally a document of this House a letter written to the Barbados Workers' Union, the National Union of Public Workers, the Barbados Union of Teachers and the Barbados Secondary Teachers' Union of July 11th 2017 in response to a letter written to the Opposition on the 11th of July and the 5th of July, and I make this a document of the House.

In summary, we agree that the increase in the National Social Responsibility Levy to 10 per cent is unacceptable and that it ought to be reduced. We agree that a coping subsidy or a cost of living allowance should be put in place given the absence of salary increases and the immediate need as we speak given the price increases and that we cannot wait for salary negotiations to be completed because people are buying food tonight, tomorrow morning and the next day and that in the same way we recognise that there is a need for all of that, that salary negotiations should be completed as a matter of urgency with the public servants of this country who have literally waited in vain to be put up front. We cannot continue to pay lip service to the workers of this country but treat to a limited interest of a few money class in the way in which this Government has done.

This country's well-being is at stake but more importantly this country has a labouring class who, rather than go immediately to industrial action on June 23rd when talks broke down to the Government, in the national interest wrote two letters, have appealed publicly and have gone to their partners in the Social Partnership and we now are saying to this Government do not wait until the 18th of August. This matter is urgent because it requires urgent dialogue. This matter is of public importance because it affects the industrial stability and the economic viability of enterprises and the overall macroeconomic stability of the country and this matter is definite because with one simple instruction the Prime Minister can convene a Social Partnership meeting tomorrow. In the language of Contone when he says that the secretaries tell all of the people to come back tomorrow, he can tell the Social Partnership come tomorrow and he can also in the interest of the country and binding the Opposition to a national solution invite the Opposition to that meeting because we are ready to come to that meeting in the interest of this country, and furthermore invite the church and the non-governmental

organisations because what is at stake is the stability, the well-being and the welfare of Barbados and Barbadians.

I am obliged to you, Sir.

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

*Asides.*

*House D16 Sequence 28*

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I welcome the Honourable Member speaking but the Honourable Member who is the Leader of this Honourable House asked me not to give way to allow the Minister of Finance and Economic Affairs to speak and to take half the time of the Right Honourable Prime Minister. I agreed and the message came from the Clerk. The Leader of Government Business then told us no, the Opposition would have... I only want to know that this is the last speech on the behalf of the Government, that is all.

Mr. SPEAKER: Honourable Member, please. The Minister of Finance and Economic Affairs.

Hon. C. P. SINKLER: Mr. Speaker, I do not intend to be long, in fact, the time is not...

Hon. Miss M. A. MOTTLEY: Mr. Speaker, with the greatest of respect, there was an agreement between the Government and the Opposition as to the order of speeches and that I would have the penultimate speech on the part of Opposition.

Mr. SPEAKER: Honourable Member, Honourable Member...

Hon. Miss M. A. MOTTLEY: Mr. Speaker, if the Government has so fractured that agreement, as it has fractured other agreements with the Social Partnership, then we deserve at least to be told that the agreement is not departed from.

Mr. SPEAKER: Honourable Member, the arrangement as I understand it would have been that as we try to apportion the time equally, that the Government would have half of the time and the Opposition would have half of the time. Midway in that arrangement I heard that you were not going to have your three speeches but somebody else would be divided into two -- the Honourable Member for St. Michael South and then the Honourable Member for the City of Bridgetown and there was no quarrel with that, so that I do not understand what the quarrel is about. Furthermore, I would have said to you, look, your time has expires a couple of minutes ago, you went on to about three minutes and there was no quarrel

about that. What is the quarrel if the Government now says, look, we are going to have two speeches instead of one?

*Asides,*

Mr. SPEAKER: Honourable Member... Note... Good.

Hon. Miss M. A. MOTTLEY: And if the Government now wants to breach that agreement, we then understand the character of the Government as it relates to breaching agreements with the Social Partnership.

*Asides.*

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

*Asides.*

Hon. C. P. SINKLER: Mr. Speaker, Sir, I thank you very much for the opportunity to speak very briefly in this debate. As I indicated, I do not intend to be long because there is not that much time in any case. I am a little, I said amused, but I probably should not say amused because it may be a serious thing otherwise that the Leader of the Opposition, the Honourable Member for St. Michael North East is seemingly trying to prevent me from speaking in Parliament, but I just wanted to say a few words in relation to the Resolution and just to do some clarifications or corrections to records. Mr. Speaker, the first is, and I am going to do these very briefly, in relation to the mover of the Resolution, the Honourable Member for St. James Central who said and I have heard it said outside of here as well by some members of the Social Partnership too but others, because I am not talking about them specifically in this regard, that in the Financial Statement and Budgetary Proposals, 2017, as Minister of Finance and Economic Affairs I introduced over \$500 million in taxes. Mr. Speaker, that is not true, not in any part of the world at all and certainly in here.

Mr. Speaker, in fact, the amount of impositions which we gave by way of taxation or other similar fiscal measures or revenue-raising measures was \$320 million. The additional \$222 million was relative to savings on expenditure adjustments totally \$82 million; the potential sale of the Barbados National Terminal Company which would bring in revenue we estimated at \$70 million, and I believe that there was another amount relative to the adjustment of Barbados' debt through a reprofiling of the interest for about \$70 million as well, so that one of the fundamental bases of the argument about this increased burden of taxation at \$500 million in the Resolution and from the voice of the Honourable Member for St. James Central is incorrect. Mr. Speaker, that is the first matter that I wanted to clarify.

Mr. Speaker, the second matter I wanted to clarify is that the Government and certainly the Ministry of Finance and Economic Affairs did not give the Social Partnership an opportunity to participate in the framing of measures for the budget. Mr. Speaker, nothing can be further from the truth. We operate at varying levels, in the Division of Economic Affairs, they meet with Social Partners, in fact, they meet beyond Social Partners, they meet with people who are not in the Social Partnership, including ministries and departments to gather their ideas and thoughts about what they would like to see in a Financial Statement and Budgetary Proposal. Mr. Speaker, that has always been the practice.

Mr. Speaker, the Division of Finance, together with the Central Bank of Barbados and the Economic Affairs Division bring Social Partnership in, we bring other people in, as we have done this year, before we compose measures to hear what their views are.

The Right Honourable Prime Minister constituted two groups in the Social Partnership, one on foreign exchange the other on fiscal policies. Those groups were constituted of all of the members of the Social Partnership -- Government, private sector and the Labour Movement. Mr. Speaker, I am made to understand that they all contributed to the extensive documents and discussions which were presented. Before the Financial Statement and Budgetary Proposals, the Right Honourable Prime Minister chaired a Review Meeting of those two documents which were presented, and I heard some people at the rally saying that the documents were not discussed. Mr. Speaker, that is not true, the Right Honourable Prime Minister hosted all of us for hours at Government Headquarters, to which I was present and we went through the various aspects of both presentations. In fact, I recall during the very meeting that war almost broke out, Mr. Speaker, Sir, between the two groups because as part of the private sector -- they called it the private sector but the Fiscal Group presentation and I have a copy of it both electronically and physically and we will deal with that at another time -- one of the key elements for success in the private sector's recommendation for adjustments to be made in Barbados' economy and some of those recommendations entailed the potential retrenchment of thousands of public servants in Barbados -- closure, sale, merger, restructuring of substantial number of statutory entities, but one of the key elements for success they noted for those proposals to go through was that there was to be no industrial action by the Labour Movement.

Mr. Speaker, that is what the private sector said, that they believe that you should cut subsidies and transfers, that you should close down statutory corporations, that you should lay off workers, that you should privatise this and that but that there should be no action. Mr. Speaker, this is the same private sector that is now siding with the unions

who said that there should be no industrial action, and the unions almost went berserk in the meeting, with the poor Prime Minister having to try to calm everybody down telling them okay, okay, let us not get out of hand in the meeting. Mr. Speaker, that is why I tell you time will come.

Mr. Speaker, I wanted to correct that on the meeting of 23rd. Mr. Speaker, I want to make this clear because I attended the meeting. In fact, that day I did not even have a meal, I attended that six-hour meeting. In that meeting a representative -- and I can say this as a fact and the Minutes of that meeting will reflect it -- of the National Union of Public Workers said in that meeting, proffered a suggestion in that meeting, that one of the ways in which we can make progress going forward in relation to this matter was that the Government should take some time, and we said that a reasonable time would be three months because if we implement a tax we would have to give it a chance to work to see what you are going to get, and that after three months we would look at the tax to see what the yield was and that if the yield was good enough, then the Government could consider either a coping subsidy or, in fact, agree to a full-scale salaries and wages increase.

4.44 p.m.

That is a fact. The Member for St. Michael South East was not present, so the Member cannot accuse the Prime Minister of lying or of having no credibility on the issue.

*Asides.*

Hon. C.P. SINCKLER: The fact of the matter.... I tell you already when the Member comes in here with the 'Queen Ann' displayed... Anyhow, I am not going to go into that now, Mr. Speaker, Sir. I wanted to deal with that. Nobody ever said, and the Prime Minister never said, that that was the whole of the meeting and that everything was agreed in the meeting, because it was not. The workers' representative, the NUPW, said before they came to the meeting, "We want this tax cut and we are giving the Government an ultimatum to cut it before July 1." You set down your marker, then came to the meeting to so-called "negotiate", but there was not any negotiation. We were having a consultation and a discussion about the Budget measures as they wanted to, in order to give clarity and to give explanation.

I gave explanation in the meeting as to the fiscal challenges facing the Government, and that is why I make it abundantly clear this evening, and I have said it to the Prime Minister of Barbados, Mr. Speaker, Sir, and I hope he takes my advice: We will have the consultation but it should be televised live. I do not want it behind any closed doors. I would prefer not to have it behind closed doors. I want it open to the whole of Barbados, because nobody is

going to come into the meeting, say what they have to say and then ease out and say something else. At that meeting, every man-jack has to come and tell Barbadians what their solutions are to the issues which we face, so that if we have -- I am going to finish now, Mr. Speaker -- a deficit of \$600 million or \$700 million to close in this Financial Year and not next year, come to the meeting and tell me exactly how you are going to close that deficit. If I cut the NSRL by five per cent, how are we going to make up the money that is projected to be lost from that tax? If I reduce the VAT, tell me how many people you are going to send home by cutting salaries and wages. If the private sector wants to close down entities and make Barbadians pay for waste collection, for school meals or for whatever the case may be -- I do not know -- come to the meeting and let us know.

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

Hon. C.P. SINCKLER: Sorry, Sir. We are going to come back on this later. I am obliged to you.

MR. SPEAKER: Yes, the Right Honourable Prime Minister.

*Asides.*

Rt. Hon. F.J. STUART: Mr. Speaker, I rise to make a very brief intervention on the Resolution before the House, which calls on the House to call upon the Government and on the Prime Minister to convene a meeting of the Social Partnership without further delay to address the legitimate concerns of the two members of the Social Partnership, other social partners and the people of Barbados generally. I am indebted to all Honourable Members who spoke in this debate. I am even indebted to the Honourable Member for St. James Central who brought the Resolution, because for some considerable time now there has been a "Niagara of falsehood" making the rounds in Barbados in respect of the relationship between the Government and other members of the Social Partnership. The Social Partnership, of course, had its genesis in the year 1992-1993. In fact, the first Protocol was signed around August 1993, and we are at Protocol 6 now. We are only not at Protocol 7 because the advances we have made in the drafting of Protocol 7 had to be put aside after the Barbados Workers' Union rejoined full meetings of the Social Partnership. Of course, the BWU rejoined because of the breaks between the BWU and the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB). Pursuant to the Government's commitment to ensure that the meetings of the Social Partnership were kept in accordance with the Protocol, on February 8 this year letters were sent out to all parties to the Social Partnership indicating the dates for four meetings of the full Social Partnership. The first was March 3, 2017; the second was

scheduled for May 26, 2017; the third for August 25, 2017, and the final one for the year for November 24, 2017. That letter went out from the Prime Minister's Office on February 8 and those dates were agreed.

We had a meeting of the Social Partners in the boardroom, I think, of the Central Bank on February 27 as we contemplated the meeting of the full Social Partnership on March 3. The private sector was represented by its leader, the unions BWU and CTUSAB were represented, and of course the Government was also represented by myself, Senator Boyce and I believe one other person. The Governor of the Central Bank was also present at the meeting, and the whole purpose of the meeting was to come to some conclusions as to the way forward for the Barbados economy, having regard to the fact that by then it was agreed on all sides that urgent action had to be taken. The Government was told that there were hard decisions which had to be taken; it was not told so once but on many occasions. The decisions are going to be painful, we were told, not by the labour movement but by the private sector. We were also told that the Government could count on the private sector's support. "Just make the painful decisions and we will support you," it said.

We had the meeting of the full Social Partnership on March 3 at the Lloyd Erskine Sandiford Centre, and arising out of that meeting I established two working groups to look at the issues of the fiscal deficit and the issue of our foreign reserves. I indicated that these committees should meet immediately and get back to me in two weeks, and that the committees should be composed of all of the Social Partners and the Central Bank. The committees were chosen on the spot and started to meet that same day in the afternoon after lunch, March 3, and of course got back to me in just over two weeks with a draft. It was not a final Report but a draft Report.

H:No.D16 (30)

Mr. Speaker, I received the draft reports on March 20th, then there was a meeting of the Social Partnership, 11 days later a sub Committee meeting of the Social Partnership which is normal, that meeting was chaired by the Minister of Labour and, of course, issues relating to the state of the economy was discussed because the arrangements under thing Social Partnership is that you have four meetings of the full Social Partnership per year but that the sub Committee meets a little more regularly during the year.

Mr. Speaker, when more final reports were received on April 18, 2017, I convened a meeting of the Social Partnership in the Cabinet Room at Cabinet Headquarters so that we could discuss the reports. We talked through the reports looked at the recommendations that came from both Committees. Before doing that though, Mr. Speaker, I had

received on April 11th, a letter from the Barbados Workers Union indicating areas of concerns that union would have in the context of the reports. I am not going to breach the confidentiality of the letter in all its particulars but certainly they had concerns about the Bridgetown Port, the Barbados National Oil Company and the npc, the Barbados Water Authority and the Transport Board, the National Housing Corporation, the Queen Elizabeth Hospital and the Sanitation Service Authority and what would become of those things. They said they needed clarity on those things if they were going to be anyway forward. Sir, as the Minister of Finance indicated in his speech they were in high duceon (2:33) over a statement in the report that said they should be no industrial actions once these plans were pursued, so we went on and when the meeting was over we said that some of the recommendations were obviously long-term recommendations, some were a little more meti recommendations but the short term recommendations we would look at and many of the short term recommendations we had already got an indication from one union that it had problems with, so then a full meeting of the Social Partnership was scheduled for May 26th, but we indicated that it would be wise to vacate that meeting because the Government intended to introduce it Financial Statement and Budgetary Proposals on May 30th and therefore, it would make sense to have consultation after the Budget rather than having a meeting of the full Social Partnership while the Government was busy preparing for the Budget. Sir, many of the people who normally come to Social Partnership meeting were the very persons who were busy in preparing for the Budget. The Budget was delivered on May 30th and the measures that are now the subject of so much discussion were announced but for the entire month of June, I made this very clear that we gave ourselves one full month for purposes of implementing the measures announced in the Budget because we wanted to make sure that they were as seamless as possible an implementation of those measures. Sir, right through June, the Ministry of Finance, along with the Central Bank of Barbados were meeting with stakeholders who could be affected, or who thought they might be affected by the measures announced in the Budget. Sir, on June 21st, according to my advice the Ministry of Finance met with the private sector and the Barbados Private sector Association on Wednesday, June 21st and on Friday June 23rd, a meeting chaired by me was held with labour.

Mr. Speaker, I would take very seriously all that I have heard from the The Honourable Member for St. Michael South East and other if I had had a private meeting with labour but the meeting was not private, the Minister of Finance was there, the Government Information Service officer was there, the Permanent Secretary in the Ministry of Finance was there, the Deputy Permanent Secretary was there, somebody from the Barbados Revenue Authority was there, somebody from the Ministry of Economic Affairs was there, the Permanent Secretary of the Ministry

of Civil Service was there. Sir, these were all present, so they all heard the discussions, they all heard what went on and therefore I do not have to defend myself in public about whether anybody said that I fairly represented what happened or not. Sir, public officers were there and the Government Information Service officer was there as well.

Mr. Speaker, at the end of the meeting we were told that in spite of the fact that we had plotted a way forward on the national social responsibility levy the unions still had to have something to say to their constituents because the Press was waiting downstairs. I told the Minister of Finance that I am going to speak to the Press but I told him that he should go and make a statement to the Press and that the labour unions could make their statements to the Press as well. Sri, it was make very clear that the national social responsibility levy would remain effective because there was no compromise on the issue of cutting it or abolishing it. We made it clear that the Cabinet had agreed on it, that Parliament had voted on it and therefore, it was the law of Barbados for all practical purposes but we said on the recommendation of a representative from the National Union of Public Workers that we would see how the tax worked for the first quarter, from July to the end of September and depending on how it worked, that is the point at which we would discuss Government's ability to either pay a cost of living allowance of some kind or to discuss a salary increase. Sir, that happened on June 23rd, so there is no gainsaying that.

Mr. Speaker, in the meeting I was being asked to give a commitment at the meeting to a salary increase and I said I could not do that, that when you are dealing with Budgetary matters, you have to walk by sight, not by faith and I would prefer to see how the tax performed first and depending on how it performed then we could get back to the issue of some coping allowance or a salary increase. Sir, in the meanwhile, we said....

Mr. SPEAKER: Yess, Honourable Member.

Mr. G.W. PAYNE: Mr. Speaker, on a point of order. We all on this side wanted to speak on this matter but the clear understanding at the inception of the debate was that this debate would last two and a half hours. I am a little surprise and I think that we on this side are somewhat surprised that Prime Minister is speaking is length and this was not the understanding. The time has been exceeded and he should take his seat. I would not say that is a bias on your part but certainly when Honourable Members on this side exceeded their time, they were asked to sit and I believe that the Prime Minister should be asked to sit.

Mr. SPEAKER: Honourable Member, I have heard you. There was an arrangement with respect to when the Prime Minister would speak. Other Members from Both Side exceeded their allotted time. There are the Standing

Orders and I also have some discretion. The Prime Minister is the first among equals in this House and I am not going to stop him from speaking so I am very sorry. If you have a problem with that you know what to do. No point of order found.

Honourable Prime Minister please continue.

*Asides.*

Mr. G. W. PAYNE: Mr. Speaker on a point of order.

Mr. SPEAKER: Honourable Member, you do not have the Floor.

*Asides.*

Mr. SPEAKER: I know that and the Members of the House put me here. The people of St. Andrew brought you here and this House put me here and when they are ready they will remove me.

*Asides.*

Mr. SPEAKER: Very well, Honourable Member. What time he started? Are you keeping time? Honourable Member, you do not have the Floor.

*Asides.*

Mr. SPEAKER: I accept that.

*Asides.*

Mr. SPEAKER: Honourable Prime Minister, please continue.

Rt. Hon. F. J. STUART: The point though, Mr. Speaker, I want to make very briefly is that there were continuous discussions between Government and the social partners between February 27 this year and June 23 when we had the last meeting with the labour movement, continuous exchanges. I have highlighted those which were fixed formally but we also met with the bankers, we met continuously with the social partners between February 27 this year and June 23.

The social partnership is not an arrangement the basis of which that Government is paralysed from acting until it secures an agreement with social partners. Government respects every social partner, Government is in dialogue with every social partner, we distil what we can from what social partners say and we try to embody what social partners say in the decisions that we take and in the context of the two working groups we made very clear that discussions were going to continue with the social partners on both the Fiscal Deficit Working Group Report and the

Foreign Exchange Report and that is going to happen. A meeting is set for 18th August, the Private Sector Association has already sent its agreement to the date and said it is convenient and that meeting is scheduled for August 18. Whenever the meeting takes place, because I have committed myself to having a meeting as well and as the Minister of Finance quite correctly said, he beat me to it, in a manner of speaking, whenever that meeting is held it is not going to be held in secret. It is going to be a nationally televised meeting where Barbadians can hear what the Government is about and what the social partners are about, both the labour movement and the private sector. The public knows what Government's position is already and the public will get a chance to hear what the private sector and the labour movement have in mind in terms of solving the problems of Barbados.

Mr. D. D. MARSHALL: Mr. Speaker, on a point of order. Parliament is a place of rules and I have heard you mention some discretion in response to the Honourable Member for St. Andrew. I think we know what discretion is. The breach of order here, Sir, is that there is a time limit for this debate and the rule is mandatory and notwithstanding, Sir, ...

Mr. SPEAKER: Which Standing Order is that which you refer?

Mr. D. D. MARSHALL: Sir, I would like to know which Standing Order gives the discretion but I am referring ...

*Asides.*

Mr. SPEAKER: Just a minute, Honourable Members.

Mr. D. D. MARSHALL: Mr. Speaker, with a grace of respect I am referring to Standing Order number 18.

Mr. SPEAKER: Do you mean the same Standing Order that was suspending this morning?

Mr. D. D. MARSHALL: I am referring to Standing Order number 18, Sir, which permits a matter of definite urgent public importance to be heard and in Standing Order 30 dealing with the time limits of speeches at 5 it says:

"In a debate following the motion under Standing Order number 18, a member may speak for 20 minutes but the time allotted in Standing Order number 18 for debate shall not be exceeded."

You are in the Chair and you, Mr. Speaker, determine that it would last for two and a half hours. If there is any issue as to the length of time that has pass we have Clerks-at-the-Table, whose job it is, because it is not

yours, Sir, to record the time the debate started and the time the debate ended. I am saying the Prime Minister's continued speaking beyond two and a half hours which has been set for this debate is a breach of the orders of this Chamber.

Mr. SPEAKER: The Standing Order which you quoted, Standing Order number 18 has been suspended and secondly, there is an Order which says that the Prime Minister when speaking has unlimited time. I do not understand what the difficulty is if I use my discretion to extend his time. Honourable Prime Minister please continue.

Rt. Hon. F. J. STUART: Mr. Speaker, I do not want ...

Hon. Miss M. A. MOTTLEY: Mr. Speaker, we are either a Chamber of rules or we are not. Mr. Speaker, the Prime Minister is subject to the same rules. Indeed, Mr. Speaker, you said the Prime Minister is first among equals and he is subject to the same rules. This debate the rules are set in Standing Order number 30 and number 30(5) then refers to Standing Order number 18 but above all other things, number 30(5) gives a limit of 20 minutes.

The Prime Minister started speaking at 4.40 p.m. It is now 5.06 p.m. and the language of the Standing Order is mandatory because it does not allow you to go from more than 20 minutes and the time allotted shall not be exceeded. Mr. Speaker, we are more than happy if we want to defer and suspend the rules everybody else on my side wants to speak. If it is that the rules are now to be thrown out, the Honourable Member for St. Andrew wants to speak, the Honourable Member for St. Joseph wants to speak, the Honourable Member for St. Michael North, the Honourable Member for St. George North, the Honourable Member for St. Michael East, the Honourable Member for St. Thomas and the Honourable Member for St. James North want to speak.

House D 16 Seq 32

Now, we are more than happy to accommodate because the precedent that is being set is that the discretion which Your Honour is exercising and claiming is the very discretion which we know the Prime Minister has to invite the Social Partnership to a meeting at Ilaro Court or at Sherbourne tomorrow at 3 o'clock or 2 o'clock. That is all we want, so if it means giving the Prime Minister another two hours for that invitation to come, we will move that the Prime Minister be given two hours so that an accommodation can be had to invite the Social Partners to Sherbourne tomorrow, but in so doing we would also like the Members for St. Joseph, St. Andrew, St. Michael North, St. George North, St. Thomas, St. Michael East and St. James North to speak. We are either a Chamber

governed by laws and rules or we are not. Your Honour knows full well that you too, Sir, in both professions that you have chosen, as a lawyer and as a Speaker, that you are governed by rules and that you and I would do well not to breach the rules because we do so at our peril but we also undermine the institutions in which we are members. We cannot want to be lawmakers and lawbreakers as a former Member for the City of Bridgetown used to remind us all of the time.

Mr. SPEAKER: That is the second speech you have given on the matter when you are only allowed to speak once. The Prime Minister's speech is the last speech we will have. Mr. Prime Minister please see if you can wind up in five minutes, please. Honourable Member, please continue.

Hon. F. J. STUART: Mr. Speaker, in winding up I just want to say that the Social Partnership is now about 25 years this year. It was agreed on in 1992 but the first Protocol was signed in 1993. I crave your indulgence, Mr. Speaker, to just share the sentiments of those who were the first leaders of the Social Partnership in Barbados after ten years of the existence of the Social Partnership. I speak of Sir Lloyd Sandiford who was the Prime Minister, Sir Roy Trotman who was the General-Secretary of the Barbados Workers' Union and Sir John Stanley Goddard who was a Chairman of the private sector. In a 10th Anniversary publication by the Sir Arthur Lewis Institute of Social and Economic Studies, the Journal of Eastern Caribbean Studies, Volume 29, No. 4 of December 4th 2004, Sir John Stanley Goddard said as follows:

The original urgency and impetus to create the Social Partnership no longer exists. However, as each successive protocol has become more ambitious so too has been the need for greater efforts and more dialogue to keep the evolving Social Partnership on course in pursuit of national interest. Developing and applying the concept of social partnership is a delicate process. It requires sensitivity to a country's history and culture as well as to the economic, social, political and other factors that affect its people. It cannot be imposed successfully but has to grow out of diversity and consensus within the society itself. The partnership has to be transparent with the partners being seen and treated as equals. Their respective roles need to be separate, distinct and clearly understood. Their relationship with each other needs to be based on goodwill, trust and mutual respect. Above all, social partnership requires a willingness to place national interest first. It's chances for success are generally enhanced by faith, patience and perseverance. It is not a simple exercise because that is not in the nature of any type of partnership especially a social partnership.

The General-Secretary of the Barbados Workers' Union, this was his verdict. He said the suspicion still

remained ten years after. This ought not to upset either side nor should it be allowed to be a deterrent to efforts to pool resources where possible to advance the common cause. Labour cannot however withdraw from its mandate to optimise wages and conditions, to seek to have the highest employment levels possible, to agitate for a voice at the workplace, to fight to ensure that the workplace is safe and healthy for work and the general environment conducive to the sound development of the general community among other things. We understand meanwhile that the management would seek to maximise profits. For some this could be the recipe for daily conflict.

The final Social Partner I want to quote, Mr. Speaker, is Sir Lloyd Sandiford. He said, in a very telling paragraph, it will not always be sweetness and light. Social partnerships do not often find the freewheeling environment of deep democracy to be particularly congenial to their pursuit of divergent interest. Social partnerships have tended to flourish more in totalitarian, authoritarian or fascist regimes. The maximum leaders of such regimes have utilised the social partnership as an alternative to genuine democratic forms of Government or at best as a cloak to hide their anti-democratic tendencies and it is not unknown that people who have not been elected to anything or who are not part of any groups so elected claim more say in the decision-making processes of a country than the officially elected representatives of the people. I am giving expression not to what is actually happening but to what can happen. Barbados has a small open economy and a small open society. Both of these types are fragile and vulnerable. In a genuine democracy the voices of everyone must have opportunities to be heard but let us safeguard the positions of those who are elected as our representatives.

Mr. Speaker, ten years after the Social Partnership existed that was the verdict by the persons who founded it. Many years later we have seen it evolved in particular ways. Those leaders have gone off the scene now. The only one still in the struggle is Sir Roy Trotman who is no longer General-Secretary of the Barbados Workers' Union but even so the Barbados Workers' Union broke away from the Congress of Trade Unions and Staff Associations in a dramatic change to the character of the Social Partnership and that caused some problems while the Social Partnership was evolving.

I want to say this, Mr. Speaker. The Government is committed to social partnership and the Government is committed to dialogue but it has to be remembered that when all is said and done, and I have made this very clear to all the Social Partners, when Parliament acts and when the Cabinet acts ultimately we are the elected representatives of the people who have the highest responsibility in any social partnership. We do not ride

roughshod over the ideas of other people but we are ultimately responsible.

*House D16 Sequence 33*

Mr. Speaker, when all is said and done in Barbados nobody blames labour, nobody blames the private sector, it is the Government of the day, whoever constitutes that Government, that has to accept responsibility for what happens in Barbados. Mr. Speaker, the meeting requested, I have promised it, it is going to take place, but as I said it is going to take place in full glare of the public. As I said in my reply to the Head of the Private Sector Association, I will communicate with him and with the other Social Partnership when that meeting is going to take place but I know this, it is not going to take place in secret, it is going to take place in the full glare of the public so that Barbadians can see where it is that we are going.

Mr. Speaker, with those words, I want to assure Barbadians that the rule of law is intact in Barbados, that the Government is committed and continues to be committed to the best interest of this country, and that all of the theatrics that has come from the other side -- and we are accustomed to those theatrics -- can do nothing to deflect the Government from its course of trying to make Barbados a better place for the Labour Movement, for the private sector and for every household in Barbados. Mr. Speaker, to that commitment the Government remains profoundly attached and nothing can deflect us from that course. I am obliged to you, Sir.

Mr. SPEAKER: Honourable Members, the time set for that debate has expired and therefore we conclude.

Miss S. J. O. BRADSHAW: Mr. Speaker, Sir...

Mr. SPEAKER: I would like a Suspension now.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, we asked about the question being put in this debate, we have been discussing it with the Clerks and we deserve an answer. Mr. Speaker, a Resolution has been moved by a Member of mine, namely the Honourable Member for St. James Central and the Honourable Member has not had the honour of having the question put and a division called for. Is it that this Government is frightened to vote on this measure? It is that this Government is frightened for each Honourable Member to have themselves to be put to this issue?

Mr. SPEAKER: Honourable Member...

*Asides.*

Hon. Miss M. A. MOTTLEY: This is a Resolution, Mr. Speaker:

“Be it resolved that this House calls upon the Prime Minister and the Government to convene a meeting of the Social Partnership...”

Mr. SPEAKER: Honourable Member, do not read it now. Honourable Member, as has happened when we did prior matter of urgency and has happened even before the life of this Parliament, it has been customary to set out the matter to be discussed in Resolution form. Even when we did the one which I think the Honourable Member for Christ Church West which the Honourable Member led off, it was a letter with the Resolution engaged, encapsulated, and that was not put to the vote. There is no precedent for it and I have reading/learning to support that and this one will not be put to the vote.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I appeal to you to exercise your discretion which was so liberally applied in favour of the Right Honourable Prime Minister to speak twice the time as provided for by the Rules of this Honourable House and to put the vote in circumstances where the Standing Orders of this Honourable House do not prevent the vote but His Honour found it possible to exercise a discretion in favour of a Right Honourable Prime Minister to speak, contrary to the Rules of this Honourable House. Mr. Speaker, I am asking you to exercise a discretion for a vote to be put on a matter that is urgent, so that the Social Partnership and people of Barbados will know where Members in this Honourable Chamber stand with respect to the convening of an urgent meeting. Mr. Speaker, it cannot be sufficient to say that I have a meeting on August 18, like it or lump it, and if the people suffer in-between then so be it, but we are finding it possible to make amendments for the private sector but do not make amendments for members of labour who are asking for urgent meetings.

Mr. SPEAKER: Yes.

Hon. Miss M. A. MOTTLEY: I ask Your Honour to exercise the discretion liberally in favour of a vote and a division being called for, in the same way that you allowed the Right Honourable Prime Minister to speak for 42 minutes just now where the Rules Order 30(5) says no Member shall speak for more than 20 minutes.

Mr. SPEAKER: A discretion, I am told, I do not have and I would be guided according in future. Suspension, please.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, on a point of privilege.

Mr. SPEAKER: There is no point of privilege.

*Asides.*

Mr. SPEAKER: The Leader of Government Business.

### SUSPENSION

Hon. J.D.E. BOYCE: Mr. Speaker, Sir, I now beg to move that this Sitting be suspended, to be resumed at 5.45 p.m. this evening.

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

*The question that the Sitting be now suspended until 5.45 p.m. was put and was resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.*

*Asides.*

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, speaking on the Suspension of this Honourable House. Mr. Speaker, Sir, speaking on the Suspension of this Honourable Chamber. Mr. Speaker, Sir, speaking on the Suspension...

*Asides.*

5.28 p.m.

### RESUMPTION

MR. SPEAKER: This Sitting is resumed. When the Suspension was taken, we had just exhausted the time for that matter of urgent public importance, so we now recommit to Government Business.

### GOVERNMENT BUSINESS

Resumption of the debate on the Value Added Tax (Amendment) Bill, 2017.

(Second Reading)

MR. SPEAKER: The Honourable Member for St. James North.

Mr. E.G. HINKSON: Thank you, Mr. Speaker. I rise to intervene in this debate on the Amendment to the Value-Added Tax (VAT) Act, essentially to raise the threshold of VAT for registration and to place in a Schedule food items which fall within the exemption from VAT. Of course, it also gives Members of this House the opportunity to speak in a wider vein on the issue of VAT and revenue collection by this Administration. The provisions which are now being brought before this House for legal effect were in fact first mentioned over two years ago by the Honourable Minister of Finance in his Financial Statement and

Budgetary Proposals on June 15, 2015. The fact that they are now being brought to Parliament for legislative effect, quite frankly, speaks towards the incompetence of this Government; not only in terms of its fiscal and economic management of this country but in terms of the running of this country as a whole. As we know and as has been said, Mr. Speaker, these measures would have been in effect for four months after they were announced by the Honourable Minister. Those four months would have expired a long time ago, and therefore now this Parliament is being asked to validate retroactively part of these Amendments which should have come into force on September 1, 2015, and some provisions which should have come into force on January 1, 2016, according to the Budgetary Proposals. This was a long time ago. This speaks to the whole aspect of how the Democratic Labour Party's Cabinet has run this Government; incompetently and with ineptitude.

Sir, the VAT on the whole, of course, was brought into effect, I believe, in 1997 by the previous Barbados Labour Party Government at the rate of 15 per cent on goods and services. It was increased in 2010 from 15 per cent to 17.5 per cent. The country was told then that the 2.5 per cent increase would only have lasted for an 18-month period. That 18-month period has not come yet, seven years after it was increased. Mr. Speaker, this is one of the aspects of this Government which has sought to tax the life and breath out of the public of Barbados. It has not learnt its lesson that increasing taxes really takes the lifeblood out of an economy. Barack Obama said the last thing you want to do is raise taxes in the middle of a recession, because that would just suck up and take more demand out of the economy and put business in a further hole. The increase in the VAT by 2.5 per cent, in fact by a 16 per cent increase, resulted in less revenue to the Government from VAT; because people then had less money to buy goods and to pay for services. It was counterproductive and regressive to raise the VAT.

Again, it was a breach of the Democratic Labour Party's Manifesto promise on which they were elected in 2008, which said that they would deal with "cost of living, cost of living, cost of living" and reduce that. The VAT, of course, raised the cost of living just as the 40 new taxes or increases in taxes passed by this Parliament under the Democratic Labour Party Government in the nine-and-a-half years it has been in office. There have been 40 new taxes or increases in taxes; from increases in liquor licences, telephone tax, Excise duties, Customs duties, Land Tax, Municipal Solid Waste Tax, and all kinds of taxes were placed on the people of Barbados by this Government. This effectively means that on average 45 per cent of an individual's income or earnings goes in taxes; either direct taxes such as Income Tax or indirect taxes such as the VAT. Forty-five per cent of people's incomes and earnings on average going into taxes to this Democratic Labour Party Government. Never before has

that been the case in this country, and in fact figures released by the Central Bank of Barbados under a Paper Summary of Government Operations show that this Government in the last nine fiscal years has taken in \$22.3 billion in taxes; the most ever collected within a nine-year period by any Government of this country.

Mr. Speaker, you do not see what this Government has done with this money. There is no new infrastructure, no new highways, no new opening up of economic development in this country. There is no big housing boom, with this present Minister of Housing not even building 100 housing solutions in the four-and-a-half years he has been Minister of Housing. He still cannot open up houses in Parish Land in St. Philip and other parts of Barbados. There is no development, no big infrastructure, no productive aspect, no new opening up of the economy in this country under this Government with the \$22.3 billion that they raised in taxes. It started with the introduction right away off the bat, as soon as they came out to the batting and batted. The 2008 Budget brought to Parliament by the late Prime Minister introduced 15 revenue-raising measures, including the raising of professional fees which, in fact, Mr. Speaker, have now been reduced, no doubt in anticipation of the Democratic Labour Party's attorneys, who make up Parliament, having to revert to private life after the next General Election.

A study by Professor Winston Moore of the University of the West Indies draws the undoubted conclusion that indirect taxation negatively impacts on the most vulnerable in society. That is correct, because everyone has to pay the increased VAT put on by this Democratic Labour Party Government; the rich, the poor, the disabled, those who are not disabled, the strong, the young, the old, white people and black people. Everybody pays it, so it impacts negatively on the most vulnerable in society; those old pensioners, the people with disabilities, the unemployed mothers with six children who still have to pay it the same way the rich person or the Members of Cabinet with their retroactively restored ten per cent have to pay.

5.57 p.m.

Madam, before this Democratic Labour Party came into office, indirect taxation was a relatively low level than it is right now but that is result of the myopic thinking on fiscal policy by this Government.

Mr. Speaker, the issue arises as well from this debate as to the collection of VAT. This Government, of course, had brought interest he Barbados Revenue Authority as a result of their term of office. We on this side was not convinced that the Barbados Revenue Authority is operating efficiently as it ought to be. We on this side agree that there must be strengthen collection of the taxes in

place. In fact, that should be the case rather than putting more and more taxes on people, that you should have systematic collection, the ability to collect present taxes. The proposal by the Honourable Minister of Finance in the last Budget Speech of tax collectors or inspectors walking about Barbados saying who should be paying taxes really is not the way to go, that is not a modern way of collection of taxes. Sir, that is an issue this Parliament should be addressing rather than seeking to validate increase in taxes all the time.

Mr. Speaker, the issue of refund of VAT which is due and owing to the taxpayers of Barbados whether sole practitioners or big companies also falls into question in this debate because there are numerous complaints from individuals that they have not been refunded their VAT which they are owed by the Government of Barbados and quite frankly when that happens within a three month period, certainly within a six month period, interest should be paid and it should not have to take the taxpayer who is owed VAT or other tax refund or VAT refund by the Government to have to take the Government to court and get a judgement. Sir, that should be automatic. Sir, the same way how the taxpayer is subject to fiscal penalties when he owes taxes, in fact, penalties and interest, it should happen automatically that a Government pays interest on VAT owed or any other taxes refunds owed to the taxpayers after three months but certainly after a six month period. Sir, this affects the viability of people businesses because people use those VAT refunds which they have earned to pay their salaries to keep people employed. It is not only the Government that is trying to keep people employed. The private sector is trying hard in a lot of cases to keep their employees employed too and have cut back on their profits, reduced the income of the managers in a lot of cases. The private sector is ridiculed in here by members, even during the debate earlier this afternoon, the private sector was ridiculed by members on the side of the Government even though many members on the side of the Government go cap in hand to them for financial contributions to them for campaign financing. The private sector is seeking too to maintain the viability of their business and need these VAT refunds and other tax refunds that are due and owing to them by the Government of Barbados.

Mr. Speaker, there is also the issue of persons who earn more than the threshold or who collect more income than the threshold not in fact registering for VAT with the authority. Therefore, you have professionals and other business people who even though their earnings are more than \$200 000 a year, they say they are not registering for VAT and that is something that the authorities ought to look at because these tax avoidances ought to be contributing at this level to the VAT.

Mr. Speaker, the whole thing is that this Democratic Labour Party Government has established 40 new increases in taxes, the latest being the 500 per cent increase in the national social responsibility levy because from 2 per cent to 10 per cent is a 500 per cent increase because ten is five times two and yet we see a diminution in the society services offered to Barbadians. You see Barbadians paying tuition fees for example at the University of the West Indies for the last three years where none were paid before. Sir, one would think that if a Government is collecting \$22.3 billion in taxes from 270 000 over a nine year period that it should have been able to maintain free tertiary education in Barbados so that poor people children could have the opportunity to go to university and get through just like 13 of the 16 members of Parliament on the side of the Government were given the opportunity to ...

*Asides.*

MR. E.D. HINKSON: No, not me Sir, because I won a Barbados exhibition so I earned that. Sir, no one on the Government side, none of the 13 of the 16 that went to the University of the West Indies earned any Government exhibition or scholarship. They were paid for by the people of Barbados, \$2 million was paid by the people of Barbados for the education at university level for this Democratic Labour Party parliamentary team....

Hon. A.D. BRATHWAITE: Mr. Speaker, on a point of order. The Honourable Member is misleading this Chamber by suggesting that because you have had a Barbados exhibition that you do not pay for your education but with all of that you are better off educationally. In fact, the Honourable Member is a good example of why what he is saying does not make a lot of sense.

Mr. SPEAKER: Honourable Member I cannot rule on that. Honourable Member, please continue.

MR. E.D. HINKSON: Mr. Speaker, I am extremely happy that the Honourable Attorney-General has intervened in this debate because just this weekend he referred to people in leadership positions in this (8:08) country as madmen and said that he has to question the quality of the educational system. I certainly interpret that as referring the Cabinet of Barbados because he spoke about people in leadership position who clearly have not really done justice to the money spent on them by the education...

Hon. A.D. BRATHWAITE: Mr. Speaker, on a point of order. The Honourable Member is misleading this Chamber. To be precise what I said was is that the Government of Barbados was trying to protect the jobs of National Housing Corporation workers but can you imagine that the unions want to march on their behalf. The Government want to protect the jobs of the members of the

union and the leadership of the unions want to march against that but that does not make a lot of sense to me, and I will not resile from that position.

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

MR. E.D. HINKSON: Mr. Speaker, Sir, the Honourable Attorney-General referred to them as madmen and the people have taken notes because it follows on from statements of enemies of the State, it follows on from statements of cutting off people heads and slicing their throats and stoning them. It follows on from blood spilling in the streets. It follows on from the Minister of Education's statement about people of our hue and I am assuming and I am interpreting it to mean ... Sequence 36

Mr. SPEAKER: On a point of order, Mr. Speaker, the Honourable Member is obviously misleading the House in giving this House and Barbadians the impression that Honourable Members on this side is committed to cutting or slicing people's throats. Where did that come from, Mr. Speaker?

Mr. SPEAKER: Honourable Member, I did not get that impression. He left it opened. Unless he says directly that a particular Member said so or Members on the Other Side, but he just talked about this concept of cutting people's throat so I cannot rule on it then.

*Asides.*

Rt. Hon. F. J. STUART: The attributed comments to the Honourable Member for St. Philip South and the other things he said were following on from that.

Mr. SPEAKER: Yes, but he did not say from whom those comments came.

Rt. Hon. F. J. STUART: He was attacking the Government as he normally does.

Mr. E. G. HINKSON: Mr. Speaker, if the Right Honourable Prime Minister is rattled and he wants me to be precise the Honourable Minister of Education on the Floor of this Parliament since I have been in here talked about cracking heads and shooting people. That is what he said and that is on the record.

Mr. SPEAKER: Honourable Member, I you have come close enough to the accusation that I can intervene because I have heard Members on a number of occasions saying that the Honourable Minister said that he would crack heads, crack skulls and shoot people. What he did say and as you know, is that there are certain people in the society who seem to be encouraging people to riot and you should not do that because when you riot, heads get

cracked and people get shot. You can check the record that is what he said so you cannot say the Honourable Member said he wanted to crack heads and shoot people.

Mr. E. G. HINKSON: My interpretation of that because no one in Barbados wants to riot so I do not know how this riot talk came in. Barbadians are some of the most peaceful people in the world. In other countries including some in the Caribbean people would have rioted against this Government long time ago, that is correct, but that is not the style of Barbadians. The last riot in this Parliament ...

Mr. SPEAKER: Honourable Member, it is that kind of irresponsible statement that he was talking about, but you continue.

Mr. E. G. HINKSON: The last riot in this country was 80 years now so if an Honourable Minister, especially one given the mandate of the education of the young people in this country could speak within that context, I could only interpret it that way, Sir, because there is no issue of rioting in this country in spite of what the Democratic Labour Party (DLP) Members of Cabinet have somehow got fermented in the figment of their imaginations. That is not the Barbadians way so all the talk about blood running in the streets by the Honourable Member for St. Michael Central who, of course, sees his minibus of votes disappearing slowly but certainly surely really should not be raised in this Parliament. That is not the tradition of this Parliament, Sir, but we are on to the increase in taxes in this country which has continued or which has been the major cause for the continued recession of this country after nine and a half years of Democratic Labour Party (DLP) governance we cannot get out of this state, on inertia that we are in. It is through the mismanagement of the economy and society of this country that we find ourselves in that position rather than looking at bringing an amendment to an Act which should have been brought certainly a year and a half ago. One would have thought that a night thinking Minister of Finance today would have presented in this Parliament a method whereby the malfeasance would cease. All the points brought out annually in the Auditor General report about malfeasance and fraud within these ministries run by these Cabinet Ministers here and nothing being dealt with. Overpayments galore ...

Hon. A. D. BRATHWAITE: On a point of order, Mr. Speaker. I have read every Auditor General report since 2008 and none of the reports, Mr. Speaker, speaks of malfeasance in Government but if the Honourable Member has any that he wants to share with us. It may have happened before 2008 because I have not read those reports but none post 2008.

Mr. SPEAKER: I would have to approve what you are saying. I have read them too and I have not seen any but it is a question of interpretation so I am not sure what he is referring to but he knows what he sees. It is a question of interpretation.

Continue Honourable Member.

Mr. E. G. HINKSON: Mr. Speaker, the successive Auditor General reports within recent times have documented instances of lack of accountability and I call it malfeasance, Sir. That is how I interpret it. In Government departments that are ...

Hon. A. D. BRATHWAITE: Mr. Speaker, Members have a habit of trying to get around the rules by speaking of their interpretation. If I said, for example, Mr. Speaker, that there was malfeasance at the Crab Hill Police Station that would not be an accurate reflection of what happened in the Auditor General report even though I may believe that there may have been malfeasance on the part of the Honourable Member for St. Michael South East.

Mr. SPEAKER: Honourable Member, please continue.

Mr. E. G. HINKSON: Mr. Speaker, how much of my time do I get back from the Attorney General intervention, Sir?

Mr. SPEAKER: I will use my discretion.

Mr. E. G. HINKSON: Okay, Sir. I hope you use your discretion in my favour.

Mr. SPEAKER: Honourable Member, you started at 5.48 p.m. so you can count from there. You multiply very beautifully just now.

*Asides.*

Mr. E. G. HINKSON: Sir, we will add five minutes in the spirit of your generosity.

Mr. SPEAKER: Please Continue.

Mr. E. G. HINKSON: Sir, I would have thought that a right thinking Minister of Finance would have used the opportunity today just before the break for Crop Over to bring in the Contractor General's legislation that ought to have been in any proper democracy years ago. Jamaica had Contractor General's legislation since 1984. The Honourable Member for St. Michael North West has promised procurement legislation. Since I have been in this Parliament I have been hearing about it, oh we are going to bring in procurement legislation very soon, you know in

his fine Hollywood style type of delivery but it is not even draft on the Order Paper.

*Certain remarks made by Mr. E. G. HINKSON were ordered struck from the record by Mr. SPEAKER.*

House D 16 Seq 37

Mr. SPEAKER: Withdraw the statement that you made that Members on the other side, Ministers, are giving contracts to a... That, in my judgement, imputes some improper motives on the part of those Ministers.

Mr. E. G. HINKSON: Sir, I withdraw it but I am glad that you have interpreted it that way and I would hope that the Cabinet Ministers interpret it that way as well.

Mr. SPEAKER: Honourable Member, just continue your speech, please.

Mr. E. G. HINKSON: That is improper conduct. I agree with you totally, Sir.

Sir, the Democratic Labour Party in its last Manifesto at page 24 promised to undertake an extensive programme of tax reform including VAT, customs duties and trade taxes. That has not been done, Sir. I mean, we tickle here and we tickle there. You raise the threshold today from \$80 000 to \$200 000 for VAT registration but you have not have any extensive programme of tax reform but then Cabinet Ministers seek to clap their chest and feel that they have done good by the people who elected them to serve this country as servants and not as masters. In fact, we on this side agree totally with the Honourable Member for St. James South who a month or two before the Budget, I think it was to the insurance stakeholders, said that there should be no new taxes in the Budget, that is what he said and we agree with him, and that is why of course he found it proper in his contribution to the Budget debate to separate himself in a way from the increase in the National Social Responsibility Levy, rightly so, so we agree with him with that, but now that Honourable Member seems to have now changed his tune and say that right-thinking Barbadians would understand the need to raise taxes, that we have to pay for the education, the health and social services. I do not know why he has not stuck to his pre-Budget position, but this is the kind of thinking of honourable Cabinet Ministers. The Honourable Member St. Philip West has stood out and said, look this is not the way to go, it is not only Honourable Members on this side, in terms of the increase in taxes, 14 new or increased taxes that the Government has brought on. This is not going to solve the problem of Barbados. They brought on a Tax Clearance Certificate as a solution to the problem.

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

Mr. E. G. HINKSON: That has run into serious difficulties with the bankers having suspended the release of mortgage funds for a while with a court case impending testing the constitutionality of that Tax Clearance Certificate. This, Sir, is a Government that is misguided on its tax and fiscal policies. It is not listening to anyone outside of their circle. The Right Honourable Member for St. Peter who is the most experienced person in here in terms of the macroeconomic management of the economy has given his advice on it but they have been dismissed without any consideration so all we are getting is a burdensome onerous increase on the cost of living which has tremendous effect on the most vulnerable in this country. It has tremendous effect on persons with disabilities and on old people. It has tremendous effect on my constituents who are poor and who are part of the below poverty line of Barbados which now has risen to about 25 per cent of Barbadians.

I am obliged to you, Sir.

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

Mr. J. D. PAUL: Mr. Speaker, I rise to participate in this debate, and I want first of all to compliment the Honourable Minister of Finance and Economic Affairs for posing this. Mr. Speaker, I was listening to the Honourable Member for St. James North and as I listened I began then to understand why we are seeing some of the issues arising and why we are seeing too on the part of the Opposition a total lack of understanding in terms of the issues that face this economy.

First of all, in terms of the measure in itself it would tend to simplify and make easy the current problems that the VAT Department faces. I believe it is rather ... for the Honourable Member to imply somehow that the measure in itself inadvertently will cause further difficulties. Sir, it will not because what it actually does is that it takes a whole group of persons who now are subject to the Act and exclude them because we all know the difficulties and the problems that are being experienced now. In truth and in fact it would assist in terms of streamlining the manner in which the whole system is operating.

Mr. SPEAKER: Honourable Member, I understand the point but I do not think you can accuse the Honourable Member of being rather ... to imply it, so just withdraw that and let us move on.

Mr. J. D. PAUL: Sir, I withdraw the remark.

Mr. SPEAKER: Good.

Mr. J. D. PAUL: Mr. Speaker, I also think that we need to recognise that the Government runs its business by

taxation. There has been a fallacy that has been produced over the years that somehow all of the goods and services that Barbadians enjoy do not have to be paid for or somehow magically that the level of taxation that we enjoy as a country before actually in full paid for the total amount of goods and services that were being enjoyed by Barbadians. That we know is not really true because in a sense, I know that the Honourable Member for St. Lucy has highlighted this constantly, we have been running this country for a number of years by incurring deficits which have to be financed and the only way you can finance the deficit in this case if you do not have the revenue... The reason you have a deficit is that you do not have the revenue or you have not earned the revenue during the year that would allow you to pay for all of the goods and services that you provide to the population, and I think that is something that we need to be very clear on. Even under the Barbados Labour Party previous Administration they were running deficits for every year they were in power. In other words, it is not a situation that Barbados was collecting over the years an adequate amount of taxation revenue that would allow it to run this country. Not only that, it did not collect adequate taxation revenue to put in the level of infrastructure that is required in order to run this country, so I really think that when we hear Members of the Opposition getting up and repeating this charge constantly that somehow what the Government is doing is something that really they should not be doing and that somehow before things were hunky-dory... What we do not seem to recognise, and they are trying to get away from it, is that by and large Governments in the past have contributed, and they are part of that Government who contributed, to where we are now. They cannot get away from it.

#### *House D16 Sequence 38*

Mr. Speaker, Sir, I do not believe that we should allow them to constantly repeat these falsehoods because what would happen would be that the population would go away thinking that this is a fact, while it is not. Mr. Speaker, we have generally provided in the past and will continue to provide free education to our children and by and large we have provided adequate healthcare to our people. Mr. Speaker, we were told recently that in terms of healthcare that Barbados ranks among the top 10 in terms of other countries and that it still ranks in the top 10, despite the economic difficulties that we are experiencing. Mr. Speaker, beyond that we still continue to have one of the most comprehensive welfare systems in the region, but all of this in the past was being financed, in some cases, by borrowing.

I want to say, Mr. Speaker, that I have very good friends in the unions. I really think that the unions contain people who are very dedicated to representing the workers in the face of the fact that you have on the other side the

employers, of course... Mr. Speaker, I will tell you, we cannot say that very employer in Barbados is a bad person or that they do not operate in a manner that ensures that we have a high level of corporate responsibility but that they could be excessive from time to time, that is why we must have unions who are there to protect the interest of the workers. It does not mean that because you are a union leader or a corporate leader that you do not make mistakes, as we are all fallible, we are all human beings in that regard and we can make errors of judgement as we can see at the moment in the attempt to represent workers' interest, to represent the private sector's interest errors in judgement are being made, but it is a human thing.

Mr. Speaker, I truly believe that we have to recognise who are, first of all, our core constituencies and the extent how our actions at the same time help to create a better society in which all of us by extension can survive. Mr. Speaker, this adversarial approach I believe the Opposition is promoting in this country where we see an attempt... Mr. Speaker, it is clear when we listen, understand and see what is happening, there is a clear and concerted attempt right now in this country to undermine the gains that the Social Partnership has made by trying to drive a wedge for whatever reason.

Mr. Speaker, I do not want to think it is a political reason because I would like to think that truthfully all of us are Barbadians and that we want to have the best for our country but I do not think that at the same time that in order to achieve an objective, we also want to see the house in which we live and the way we have built that house burned down. We do not want to engender attitudes.

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

Mr. E. G. HINKSON: Mr. Speaker, on a point of order. The Honourable Member is misleading this Honourable Chamber. The Honourable Member said that the Opposition is seeking to destroy the Social Partnership and to destroy the house. Mr. Speaker, by "house" I presume the Honourable Member means Barbados, so that is certainly imputing improper motives to the Opposition and that certainly is not the case. In fact, we are bringing it together.

Mr. SPEAKER: Honourable Member, there is no point of order found. Please continue, Honourable Member.

Mr. E. G. HINKSON: Mr. Speaker, in fact, we are bringing it together as was demonstrated by the march and by our support for the Trade Union Movement and for the private sector. It is the Government of Barbados...

Mr. SPEAKER: Now, you see, that is the same person who would want to tell me that I do not obey orders

and so on. I have told him that there was no point of order found, to please sit, but the Honourable Member does not want to sit, that is why I have a problem with these things. Please continue, Honourable Member.

Mr. J. D. PAUL: Mr. Speaker, what I am saying is that I am sure that all parties will want to engender attitudes that live up to those persons who have established the Social Partnership in those days wanted to do, because what they wanted to do was to build a society in which despite our different constituents that we represent, that we recognise that we can all work together in order to achieve a better society, that is essentially what we want to do.

Mr. Speaker, it is unfortunate that today instead of us promoting consensus, that we want to go to the point where, first of all, we have to accept the reality that we are in. Mr. Speaker, the fact of the matter is that Government in terms of the VAT, for instance, Government I am sure would like to charge the lowest rate of VAT that they can possibly charge, without at the same time compromising the general level of services that we offer to Barbadians. Mr. Speaker, that is the intention of the Government of Barbados but I know that because of the political divide that the Opposition would tell Barbadians differently, no, that Government instead would want to charge them the highest level of VAT and they forget at the same time that they are a part of the Government. Mr. Speaker, one of the unique things in the Westminster system is that the Opposition is part of the Government. What they are actually doing is that in questioning Government they are now trying to obstruct, where instead they should be trying to ensure that the measures that Government is putting into place are fair for the ordinary citizens and that it is in the interest of the ordinary citizen.

Mr. Speaker, I know of no one from either sides of these aisles who can say that the legislation we bring into Parliament is against the working-class of this country because it is precisely because of the fact that the level of services that we offer to Barbadians are there, otherwise they were not going to be there. Mr. Speaker, I want people to listen and understand what we are seeing, for instance, at the hospital. Do you really think that if it were not for the fact that Government did not have the Queen Elizabeth Hospital taking into consideration the extent to which people are so hungry nowadays sometimes for money that doctors are going to look at you. Let us look at the United States of America where even their citizens are having a problem in terms of the American-type support to the delivery of hospital care in the United States of America. Mr. Speaker, that does not happen here, that is why I do not understand why there is this fight on the part of the Opposition to suggest to Barbadians that when Government has to introduce these taxes, that somehow at the end of the day it was not to protect ordinary Barbadians. Mr. Speaker,

at the end of the day, if those taxes are not there, who is going to look at the fellow lying in the street?

6.39 p.m.

Do not mind all of this nonsense. I want ordinary Barbadians to listen and understand that the Opposition at times goes too far. They go too far. If you look at the schools, we inside here would try to ensure that every child in this country is educated. At the end of the day, when the people, as they are to do, send their children to the best schools and the best teachers, do you think they are going to fight against it? You are trying to demonise politicians across the island for doing something that is to the benefit of the ordinary working class man, woman and child in this country. We laugh and make sport about it as if this is a political game. It is not.

I want to say to the Member for St. Michael North East -- she is not inside here because they go out when I make ready -- that we need to stop this nonsense about making working class people feel, with the nonsense they are saying in terms of the question of taxes, that any Government of the day would impose taxes which are not necessary. It might be difficult, it might be hard, but it is not hard because of the fact that we as Barbadians made it hard. We made mistakes in the past that brought us here today. The previous Administration contributed to it heavily. We did not build Kensington; a white elephant that cannot pay back. We did not suggest that you take these astronomical loans. We did not do it, but they have to be paid back. The people who lent us the money are putting the burden on Government to pay them back, and we cannot borrow anymore. When we do borrow, we have to borrow for things essential. I cannot see how every time we have to debate a tax measure that we are getting on as if.... Do you know who benefits? I have in my constituency young mothers who come to me from time to time, and they come and say, "Mr. Paul, I would like to get my baby in a nursery, a Government nursery." Some of those young ladies or families are not working for more than \$200, \$250 or \$300 a week. That is a fact. Okay? If that Government nursery is not there, the child has to go to a private one, and the cost of the private one is five times what it is. By the time they are done, they might as well not be working because the amount they are working for is what they have to give the nursery. This is what your taxes are going to pay.

I want the Opposition to understand that when they give people an impression that the taxes are not being applied in that way, they are ruining the foundations upon which Government was established to help the working class people. We are doing so when we give civil servants the impression that the wages and salaries they earn are not being paid from taxes; but really the ability of Government to pay wages and salaries is based on the revenue it earns,

and if you do not get revenue, you have to borrow. We have already established that the reason you have to borrow is because you fall short in revenue. Government does not want to borrow. It is like you are in a household. I grew up in a house, my mother ran short when the week came, and she had to go by the shop and tell Miss Mary, "Listen, I know I normally get \$60 in goods but I only got \$40." Miss Mary would tell her, "All right, the extra \$20 you will pay me back later on." That is why the Government has to deal with it, but we have people in this country who try to demonise Government at this point.

One of the fundamental things which we need to understand is that when you try to demonise, you are not demonising the Democratic Labour Party, you are demonising Government. We forget that when we put labels on politicians, people do not see DLP or BLP; they see a politician walking up. I want that when the Member for St. Michael South East gets up in her passion to talk about defending poor people and all this kind of thing, that she understands that when she tries to demonise me, you are demonising yourself; not me. We forget four fingers are pointing right back at you. Four, not one. That is the point I am trying to make. When we have to get these measures coming, let us talk about more fundamental things which we need to speak to. What we do is try to ride on the emotions of people, to whip them up, get them to do things they would not normally do. Okay? We get them to march and we do not know why they are marching. They do not even know why they are marching, you know. If you talk to people....

*Aside.*

Mr. J.D. PAUL: I know the Member for St. James North would like to think that they know.

*Asides.*

Mr. J.D. PAUL: No problem. I would tell you this. I would explain to the people of Barbados the truth. I would explain to the people of Barbados the fundamental truth. The truth does not run away. They are there. I am saying that we need to have a new approach to how we address the issues in this country. The Opposition has to come different, because at the end of it when you start to subject the arguments they make to close examination and close scrutiny, you find how ridiculous they are; to the point where you wonder how we could as sensible men and women sit down and conjure up these things in our own minds. You wonder how. One of the things about the VAT is that after it first came in, it did well over the years. It has done well, but we have to admit and we have to look at our tax administration. These are things which the Opposition should be speaking on; not about whether or not the VAT rate is up. How do we adjust it to make it more efficient? Not only that; what do we need to adjust in the system to

ensure that basically the amount of monies which we are supposed to be collecting under VAT are actually being brought in?

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

Mr. J.D. PAUL: Thank you very much, Sir. These are the fundamental things which we need to start to determine and work across the divide to see how we can change that kind of mindset to ensure, for the benefit of the people whom we are supposed to be here for, that we have a better system. I really think that the move on the part of the Minister of Finance to look at the threshold is appropriate.

H:No.D16 (40)

It means then that you have a whole set of business that would not have to worry about it. Sir, that is something that simplifies the functioning of the business. I can give kudos to it and I would want to say that the measure has my support. I want to encourage the Minister of Finance to continue to make the modifications as he can in order to ensure that we get a more efficient system of tax collection in the country.

Mr. Speaker, I thank you very much.

MR. SPEAKER: The Honourable Member for St. James South.

Hon. D. INNIS: Mr. Speaker, I rise for a few minutes to give full support to the bill before us which is the Value Added Tax (Amendment) Bill, 2017. The debate thus far in this matter has been very interesting. I note that it has focused a lot on the tax system as we have it now and all the discussions around the Government's imposition of various pieces of taxation over the years. Sir, I keep saying that if we in Barbados spend all our time, as we have been doing in recent weeks discussing taxation, we would never get to the point of a meaningful conversation about growth and development in this economy. I think that we all have to accept that the State has always found itself in a position where it needs to impose a reasonable level of taxation to provide the goods and services that its citizens so rightfully desire. I have contended that the way forward for Barbados must be in the expansion of private enterprise and not in the expansion of the public sector and therefore, any initiative that would make it easier for Barbadian enterprises and individuals to more constructively engage in business gains my full support. What we are doing here today must be commended because we are moving the threshold from the filing of VAT and engaging the Barbados Revenue Authority on such matters from \$80 000 per annum for the financial year to \$200 000 and that, Mr. Speaker, is a significant movement.

Let me also at the very beginning make the point that whereas this was discussed and agreed to in 2015, as the Minister of Finance has pointed out, administrative arrangements were put in place to facilitate this movement and what we are doing today is to ensure it is now properly enshrined in law and not to find ourselves validating any actions but allowing the Minister of Finance to make administrative arrangements.

Mr. Speaker, when one reflects that the micro, small and medium enterprise sector in Barbados, many of whom would be under that \$200 000 threshold is a significant player in our economy, we must all on both sides of the Chamber give full support to this measure. According to the Small Business Association study done in September of 2016, the micro, small and medium enterprise sector contributes about 47.5 per cent of revenue to this national economy, and that is a significant amount. I should say upfront that we must commend the SBA for their work in this study. Of course, they did get full support financially and otherwise from the Ministry of Labour through the Human Resource Development Strategy that the Government had embarked upon.

Mr. Speaker, the study also showed that the micro, small enterprises sector accounted for 99 per cent of formal enterprises in Barbados and about 60.7 per cent of private sector employment can be found within the micro, small and medium enterprise sector and that sector accounts for 47.5 per cent of the total workers in this island. I quote those statistics, Mr. Speaker, because we are here witnessing an ease of doing business for this particular sector that we hold so dear and recognise is so critical for Barbados. The small business sector, the micro business sector is what is and has been in many respects keeping our economy together and it offers perhaps the greatest chance for us to really revitalize this economy and put it on a sustainable growth path. It also provide the opportunity for many Barbadians to employ themselves and for many young Barbadian to achieve their dreams by doing what they want to do in their own space. Sir, a Government recognising the challenges that are faced by such individuals who want to get on with the business and who want to comply with the law can be frustrated when the threshold is at \$80 000 for VAT filing has provided an enhanced ecosystem for small business people and individual entrepreneurs to now get a little ease in doing it.

Mr. Speaker, sometimes we take things for granted. One does not recognise sometimes the fear that individuals have in interacting with Government departments. There is a natural fear that many small business people and individuals face in even getting to the point of engaging with an attorney to incorporate a company on their behalf. There is a fair that some have in even going to the Corporate Affairs Department to register their business name. There is a fear they have in terms of going to the

National Insurance Department to register for National Insurance contribution even though we all know the benefits to it and naturally there is a fear they have in interacting with the Barbados Revenue Authority. I am not saying these agencies do things to deliberately create that fear but there is this gulf sometimes that exists between the State's apparatus and those innocent individuals who are compelled by law to interact with them. Sir, it could be a very daunting task that sometimes we as politicians do not appreciate.

Mr. Speaker, then administratively, a sole proprietor or small individual who is doing more than \$80 000 in business has to so set his books up, either through technology or other means to ensure that you are able to charge the appropriate rate of VAT, you are able to collect it and you are able to pay it in to the Barbados Revenue Authority in a timely fashion as you keep your books.

Mr. Speaker, what the Ministry of Finance and what the Government is doing now is saying, look, we recognise the challenges and we recognise the administrative cost and burden to this side of our informal sector and we also recognise the administrative burden to the revenue collection agency in respect of their having to engage, collect, audit and do all the internal work that has to be done with this particular sector. I believe that this is the second time we are raising the threshold for VAT filing in Barbados. I think that \$200 000 is a reasonable figure. There are those who will argue that maybe it should be a little higher but I do not know. We have to have a starting point but I think that the movement from \$80 000 to \$200 000 is reasonable. I do not want anyone, because I know the Honourable Member for St. James North who prides himself in having gotten an exhibition even know he needs to be reminded that exhibition winners do have their fees paid by the taxpayers of Barbados, just like anyone of us who did not get an exhibition, so this thing about getting an exhibition and giving the impression that means you did not have to pay, the taxpayers still pay for it and most of them choose to go further afield where it is even more expensive and now want to come and express solidarity and concern that you care so much about the poor people and the masses and that you are ever so intelligent. There are people I know who had exhibitions who cannot spell Ada backwards but let me not digress, Mr. Speaker.

Mr. Speaker, the reality about it is I do not want anyone to believe that by raising the threshold from \$80 000 to \$200 000 means that these enterprises will charge VAT, collect it and not pay it in. It simply means they are exempt from charging VAT.

#### *Sequence 41*

Anyone who, therefore, recognising that this is now enshrined in law decides to go and charge VAT even

though they know they should not be doing it is contravening the Laws of Barbados and customers need to be very much aware of that.

This action that we are going to support fully in Parliament today is in keeping with a movement towards efforts to make it easier to do business in Barbados. As I said at the very beginning we cannot spend all of our time and energy discussing the imposition and administration of taxes in Barbados. I want us to spend more time talking about developing businesses in Barbados. I want us to spend more time looking at the future of this country. I want us to spend more time asking sector by sector what can we do to create more meaningful employment to earn or save foreign exchange for Barbados that perhaps is why I am not heavily involved in some of the issues today.

One of the other issues that we have looked at, Mr. Speaker, in this vein of supporting the expansion of micro business in particular is that on February 17 this year, as minister responsible for small business that was laid in Parliament, the new national policy for the micro, small and medium enterprise sector which pellucidly points to towards our efforts at developing the sector in a very sustainable manner. We talked about the need for legislative reforms that has come down the line, financial support and we heard the call for more financing to be provided to the sector and that is why I say thanks to the Minister of Finance. We have agreed on a \$50 million overall support for the small business sector of which \$10 million have already been allocated to fund access and shortly I will give a report to Parliament in respect of the utilisation of those funds in particular. This is all in keeping with, not talking about tax alone but providing the right kind of ego system for those enterprising Barbadians to be able to create and sustain employment, earn foreign exchange and became major movers and shakers in our national economy. We also, Mr. Speaker, have certainly given support to embracing and enhancing technology in this country to make it happen and I do not need to dwell on that a lot but we certainly, as a Government, I am satisfied, have in our own quiet but steadfast manner, started to ease a bit in this society. When I look at the fact that so many Government agencies now are providing services and information online and in real time. These are not things that we are talking about a lot but there are happening and my reaction to those who beat up on Government occasionally on some of these other issues is to say, yes, maybe you have a point there. We have not done it well in some areas but certainly in these areas we have done well and we need to say it over and over and over again.

When I look at the work of agencies like the Barbados Industrial and Development Corporation and the missions that we have taken to other Caribbean islands as far as Cuba and recognise that we have started to create and

enabling environment to create opportunities for young Barbadian entrepreneurs or medium size Barbadian businesses to move out further afield and to earn their way in life. These are the things that are happening that we are not oftentimes talking about in Barbados.

Mr. Speaker, as I said in the very beginning, I do not plan to spend too much time on this. I believe it is in the eyes of some maybe not a weighty matter, but I can safely say to you that when I reflect on the number of small individuals and small businesses who have been above the threshold for a while now, maybe around \$200 000 who complain about the challenge in getting VAT refunds, for example, and the significant impact that in having on their businesses. I have to support this measure to raise the threshold. I think everyone of us know of some small entrepreneur who has bent our ears over and over quite rightfully about delays in VAT refund. I appreciate that the BRA has its own cash flow challenges and if cash is not in, you cannot pay out per se, but it impacts on those small business and sole proprietors companies perhaps a lot more significantly than it does not larger businesses and I want to make a plea for the authorities to do whatever you can to ease and to make those refunds for the small entrepreneurs in this country to be done in a more timely fashion. They cannot hold out for two months, three months or six months. I would like everybody to get their VAT refund in a timely fashion but there are certain realities we have to face but I am encountering too many small entrepreneurs who are having that real challenges and we have a duty to do a bit more about it whether through a ??? and whatever, I do not know but we have to address it. In raising the threshold now to \$200 000 legislatively we are now in a position to help remove quite a bit of that burden that some of these enterprises and individuals would have been facing hitherto.

That is why, Mr. Speaker, with those few words I am fully in support of this Bill before us, the Value Added Tax (Amendment) Bill 2017 and I am obliged to you.

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

Hon. C. P. SINCKLER: Thank you very much, Mr. Speaker. I would not be very long in wrapping up. I just wanted to thank all Honourable Members who spoke. I should be gracious enough to than all Honourable Members who spoke, even the Honourable Member for St. James North who really did not even collide with the matter before the House but we have become accustomed to his presentations now.

I wanted to response to a couple of matters which were being made by some of the Opposition's interventions, certainly by the principle intervener, the Honourable Member for St. James Central and by others

that somehow or the other the Government has been tardy in implementing this particular measure. That really is not true. This matter has been implemented and has been running constructively from within months of the presentation of the Budget. What we are being here today is the actual amendment to the Act itself but administratively the Barbados Revenue Authority has been implementing and the VAT basket, as you know, has been in operation now close to 18 months or more so to say that the Government has been tardy in implementing this measure is not necessarily true but I guess the Members of the Opposition felt they needed to say something in relation to this matter even though they claimed to have supported it though and through.

The other point relates to the International Monetary Fund's Report which again they said that the Government was tardy in implementing. It is interesting that point was made because the truth is, Mr. Speaker, soon after that report was finished the Ministry of Finance took it as a policy and as instructed by the Cabinet of Barbados after it was presented to the Cabinet to share copies of that report with several bodies and organisations in Barbados. I distinctly recalled an official copy was sent to the Leader of the Opposition Office for comment to come back to the Government before we began to pull all the comments together and have a presentation to the Cabinet by the committee which we established under the chairmanship of the former Permanent Secretary in the Ministry of Finance, Mr. William Layne. To date, we have not had, at least I have certainly not seen it, any official response from the Opposition in relation to this particular study which apparently they fell in love with overnight and came in here trumpeting as the greatest piece of policy work that was done for the Government by any entity. We have not heard from them. They were not even moved to reply acknowledging receipt of the document and promising to get back to us with comments. I find it to be a little overgenerous for the Opposition to then come in here to try to lecture the Government that the Government has not taken on board the International Monetary Fund's view on issues pertaining to VAT and any other matter in that particular study, which is now been quite a few years in existence and which, Mr. Speaker, the record would show that the Government has, particularly for those parts of the tax review study, been implementing those parts that we believe are implementable.

House D 16 Seq 42

There are a number of things in the plan which a lot of people, the Committee we established, the sector organisations in Barbados, the Barbados Chamber of Commerce, the Private sector Association and the Barbados International Business Association (BIBA), and the unions did not agree with and that we ourselves did not agree with. There is not everything in a Report that

somebody writes for you on a consultancy basis that you would agree with. You pull those parts out that you feel make sense and that you have some general level of consensus on and you try to get those implemented if they are implementable.

Mr. Speaker, I will give you a classic example. The Honourable Member for St. James Central spent a lot of time speaking about some aspects of the Report relative to the VAT that the Government had not taken on board, for example, that the Government should lower the VAT to 16 per cent and that this would lessen the burden on members of the public. What the Honourable Member for St. James Central did not tell you is the other part of the recommendation. They did not just say to lower the VAT to 16 per cent, yes they said that, but they said that you should eliminate all of the zero rates and exemptions. Now, a funny thing, the Honourable Member for St. James Central and the other Members of the Opposition clearly did not study what they were talking about. In fact, I am not even sure if they took the opportunity to read the VAT Act itself to see precisely what would be affected if Government were to take that particular suggestion on board, which is not a suggestion that we have not heard because we have heard it from some other people in Barbados, funny enough, in relation to the private sector's recommendations on some aspects of their proposals to Government.

Sir, I took another look at the...not that I needed to, but I asked the staff to get us a copy of the VAT Act so that we could look to see what are some of the items that are zero-rated and exempted from the VAT. Sir, if we were to follow the advice of the International Monetary Fund in this regard and we were to follow the advice of some private sector elements in this regard and if we were to follow the advice of the Opposition definitely in this regard we would lower the VAT to 16 per cent and we would eliminate the exemptions and zero rates for things such as water, so water would now be taxed at 17.5 per cent, medical supplies, prescription medicines, I am going to get back to that, would now attract the VAT of 17.5 per cent, drugs from the Barbados Drug Service would attract the 17.5 per cent VAT and so would financial services of all types including the international business and financial services sector that now does not attract VAT on their items and educational supplies, so people in the educational sector would have to pay for their education supplies, and the list goes on and on.

Sir, the biggest and most and heaviest hit if we were eliminate the exemptions would be the VAT basket which we are discussing today, so all of those things that we buy in the basic basket of items, bread, flour, rice, sugar, oil, vegetables, fruits and meats of all variety, would be attracting a VAT of 17.5 per cent. Tourism supplies would also attract the 17.5 per cent VAT.

*Asides.*

Hon. C. P. SINCKLER: If you lower it to 16 per cent, it would be 16 per cent, but then you would broaden the base. You would get more revenue but you impact significantly on very key and critical segments of this population. If you feel that the National Social Responsibility Levy is tough, well that would be devastating on several sectors in Barbados, so when we hear these suggestions and these recommendations, we urge people not to just run off with them but to sit down and really study what people are talking about because this is not just an arithmetic exercise of saying okay you reduce it to 16 per cent and then you broaden the base and you get more revenue, which is what the International Monetary Fund said, the issue has to be who does it impact on most. Sir, that is why we did not support the suggestion that the VAT be raised to 20 or 22 per cent instead of doing an National Social Responsibility Levy because the National Social Responsibility Levy goes on predominately imported goods but the VAT goes on goods and services so that suggestion too would have been even more bitter and even harder on the average citizen in Barbados.

Sir, when people make these suggestions we feel that Members of the Opposition especially the Honourable Member for St. James Central who has a habit of rushing in here and making comments without studying issues... The Honourable Member speaks in a very flowery language and has all of the terms of phrase and all of those kinds of things but he has to subject himself through some scholarship and study and research. As he is preparing himself supposedly for the leadership of the Barbados Labour Party he has an old enough organisation to at least give it the credit of studying issues if he is proposing to be a leader on this matter. The reason I say this is because the Honourable Member got up in here without doing any research. The Honourable Member is a lawyer so the least he could do is read a little law.

*Asides.*

Hon. C. P. SINCKLER: No, I am not saying that lawyers do not do research, I am saying that he is a lawyer. One of the fundamental tools as skill sets in the lawyers' toolbox is the capacity to research. One of the critical skill sets to being a lawyer is being able to research.

*Asides.*

Hon. C. P. SINCKLER: No, I am not saying opposite, I am saying positively that is what lawyers have to do, so the first thing that you do if you want to speak about a matter is that you go and research it. At least if you are a lawyer you should read the law when you are speaking about the law. The Honourable Member got up in here and criticised the Government for imposing VAT on

over-the-counter medicines and said that we recently in these very hard times introduced a VAT on over-the-counter medicines. The Honourable Member went on and on saying how hard this was and how heartless and callous the Minister of Finance is, but do you know, Mr. Speaker, Sir, that over-the-counter medicines have always been vatable as we say in the language. If the Honourable Member had picked up the Schedule he would have looked and see that over-the-counter medicines have always been cough syrups, phensic, whiz and those kinds of things. Those are not considered to be prescription medications. Those are over-the-counter things for which there is very little regulation. Anybody could walk in there and buy them.

*Asides.*

Hon. C. P. SINCKLER: All of these things that the Honourable Member may be fascinated with, I do not know them really because I do not have reason to call upon them. What do you call them? 'Strong P' and 'big man' and 'hard rock' and 'stiff rock' and all of them over-the-counter stuff. That is not considered to be real, real medication. I go in the 'thing' and see them on the shelves. I do not use them.

*House D16 Sequence 43*

*Asides.*

Hon. C. P. SINCKLER: Mr. Speaker, the Honourable Member for St. George North is asking me why I am troubling his tools of the trade but I do not know anything about them, so I do not trouble myself with it too much to be honest with you because I do not know anything about it, but what I am saying is that those things have always been vatable. Mr. Speaker, what was discovered in the analyses when the Barbados Revenue Authority had been carrying out its audits on pharmacies, they found that some pharmacies were vatting them as they ought to, while others were not, so they are trying to get a consistency by pointing out to those who have not been doing it, they were just quietly telling them that they were actually breaking the law, that they should be applying VAT to these products, that they were not medications prescribed by a medical practitioner and therefore they ought to attract VAT.

Mr. Speaker, somebody now who wants to create an issue runs to the newspaper, including the fellow who is supposed to be running against the Honourable Member for Christ Church West Central, trying to give the impression that this horrible, heartless and callous Government is all of a sudden now trying to extract something from somebody that is not legal. They would now want that the Barbados Revenue Authority to be issuing a statement saying that was not true, just like they are trying to say that the Barbados Revenue Authority was trying to get people's

prescriptions to find out what illnesses they were suffering from. Mr. Speaker, the auditors are not interested in that, if you keep proper books you do not need to get anybody's prescriptions. Mr. Speaker, in any case, there is a protocol in place, for example, with the Barbados Drug Service as to how those things are handled and that is how it is dealt with.

Mr. Speaker, the Honourable Member for St. George North is accusing me, I assume, and the Government and the Barbados Revenue Authority of being too efficient. Well, I cannot understand, we spent the last nine years being told that we were inefficient and that we needed to have more efficiency in Government and now that the people are trying to get that efficiency, the Honourable Member is now saying that they are being too efficient, but you cannot have it both ways, you are supposed to collect the Government's revenue and now that we have a Barbados Revenue Authority in place we need to do so. Mr. Speaker, I just wanted to correct that.

*Asides.*

Hon. C. P. SINKLER: Mr. Speaker, the Honourable Member rambled on about slot machines, about this very callous Government was not collecting taxes from the slot machine operators, and we are punishing people in Barbados but slot machine operators who were walking hand-in-hand, apparently with some of them at the march yesterday... Mr. Speaker, what the Honourable Member was saying in here today the Honourable Member was not telling them yesterday because yesterday was jollification, so blaming this Administration for all of this...

Mr. Speaker, Sir, I do not have the time to go into it, maybe at some other time, but do you know that the breakdown on the collection of taxes on slot machines really originated with the last Administration? It is because the last Administration allowed a company to come into Barbados with machines called lottery terminal machines and to set them up all over Barbados. Mr. Speaker, these machines are just sophisticated slots because they had an aperture in them. They took the apertures out to try to get the machines into Barbados. Mr. Speaker, the machines came into Barbados, they were not regulated by the Betting and Gaming regulations, but they appeared in every shop all over Barbados where there was no proper regulation as to how they should be operated, so that a child under 18 years old could play them.

Mr. Speaker, the Government of Barbados, when we came to office the former Prime Minister and Minister of Finance had to bring an amendment here to ensure that they were covered, because they were slot machines and the Comptroller of Customs advised the last Government that these were slot machines. Mr. Speaker, a slot is a slot, is a slot, do not care if you take out the aperture, it is a slot. Mr.

Speaker, we passed the Act but the company went to court and got an injunction against the Government of Barbados.

*Asides.*

Hon. C. P. SINKLER: They are slots and are treated as slots all over the world, Barbados is the only place that conspired, somehow or the other, to change what really is a slot machine. Mr. Speaker, because you put a CPU unit into it and it shows videos that does not mean anything, it is a game of chance into which you had to put money, so that once you had to put money into an aperture it is a slot machine, do not care what else you call it. If you call it a game of chance and it has an aperture into which money has to be put, if you win you get your money back, plus. Mr. Speaker, that is a slot machine. Do not care however you dressed up a pig it is still a pig, you could put on anything, including a mustache, it is still a pig, you cannot turn it into anything other than what it is.

Mr. Speaker, that is how that system broke down because the people who were here for years, predominately Barbadian arcade owners, who were following the law, paying their dues, contributing to the society, you were now extracting every cent out of them, while you have a company operating in Barbados that has hundreds of machines all over the place, running competition against them, reducing their business and getting away with it without they paying one cent.

*Asides.*

Hon. C. P. SINKLER: We amended the law, the company went to court and got an injunction against the Government, so in consultation with the Office of the Attorney-General we looked at the business, we have made efforts and therefore companies are now paying. We have also met with companies in relation to any outstanding taxes and I understand that the authorities are making an arrangement to have all of those collected, but it did not begin with us, it started from bad policy in the first place. If the policies were followed properly in the first place, we would not have had the confusion we have had in that sector over the last few years.

*Asides.*

Hon. C. P. SINKLER: Well, policies change, true; times have changed, but do not come here criticising the Government...

*Asides.*

Hon. C. P. SINKLER: Well, that is true too but do not come here criticising the Government and making it seems as though, as they put in their terms, this is a callous and uncaring Administration as usual and the whole

palaver that you get from them, when, in fact, they broke down a sector that was working pretty well and with no problems and they went and introduced a whole set of confusion in it, then seek to blame somebody else for that confusion that emanated from it, that confusion that erupted in the sector.

Mr. Speaker, I wanted to deal with those issues. Finally, Mr. Speaker, Sir, I want to say that as far as this International Monetary Fund study is concerned we looked at a number of the things in here, some of which we do agree with. We have been implementing the ones that we have agreed with, while there are some things in here that we do not agree with. Mr. Speaker, we have made substantial changes, the Minister of Commerce can tell you, to the Excise Tax Act in relation to how we deal... In fact, we reconfigured the entire Excise Tax application, particularly as it relates to alcohol and spirits. We removed Customs Officers out of people's places. The system is not a voluntary contributory system, it is now a self-assessment system of taxation in terms of the Excise Tax, so that we do not have to have Customs Officers in people's place now measuring things in bottles and all of that, we have removed that, everything now is done online and it is working perfectly.

7.35 p.m.

We have made changes to the Income Tax Act relative to the allowances which people can claim and relative to other areas in relation to concessions which have been given or are being given either to individuals or companies. We have made changes to the Value-Added Tax Act, as you have seen, and we continue to do so in relation to strengthening the Act, working with different sectors in relation to that, and concessions. We have implemented stuff, quite a bit of stuff, from in here. We made changes to the Corporation Tax Act to give companies greater benefit and less burden. You cannot say that the Government has not implemented. We have implemented. We do not agree with everything that is in it, but we have pulled out what we feel would contribute to making Barbados more competitive, more efficient and so forth, and of course shoring up the tax administration of the country. We have implemented those. This charge that the Government has had this Study for so many years and has not done anything with the Study; all of that is just not true. It is simply untrue.

Mr. Speaker, what has happened is that when I have brought measures here to implement out of the recommendations from this Study, the Opposition has not given us the support in the Budget. They have opposed them, and then turned around and said we have not implemented any part of the Study. That is what they do. They oppose it on Budget Day and then come back months later and ask, "Why did you not implement the things that

were in the International Monetary Fund Study?" You could never please the Opposition; but then again I am not here to please the Opposition. We are here to do the business of the people of Barbados who elected us.

Mr. Speaker, Sir, there was this issue which the Member for St. James North had again, and then there was the issue with the Member for St. James Central.

Aside.

Hon. C.P. SINCKLER: Anyway, the guy from St. James Central who we had, I dealt with him in relation to that, Mr. Speaker. There was the Honourable Member for St. James North, again, doing no research and he is a lawyer who claims to have won a Barbados Exhibition; but sometimes when he speaks I feel that we should find a way to ask back for that money.

Asides.

Hon. C.P. SINCKLER: Mr. Speaker, Sir, the Honourable Member read something in the paper written by a journalist who is not normally known for writing those types of articles.

Aside.

Hon. C.P. SINCKLER: It is a reporter who is not known for writing those kinds of articles. She is the Dear Christine of the social care world. This body's house fall down, somebody's toilet pit is too full; that is the type of article that the individual normally writes. All of a sudden, out of the blue, there is some big thing on taxation; that the Government of Barbados has collected \$22 billion in tax revenue and that the last Government in the previous ten years to ours collected \$17.5 billion, and therefore Barbadians are grossly overtaxed. It was the most pedantic set of writing I have seen. I do not know who would have been whispering those things to that particular reporter. I know that the reporter was out of her depth, but that is a different point. What surprised me is that the Member for St. James North actually has taken it up and brought it to the Honourable House of Assembly as serious work, and has been quoting it. I mean, the simple thing I would say to him, Barbados Exhibitioner that he is paraded as today on his own steam.... He should have waited for somebody else to say he is an Exhibitioner but he wanted to remind us that he won a Barbados Exhibition.

Aside.

Hon. C.P. SINCKLER: Yes, he went to the exhibition. He said he won a Barbados Exhibition. I am very happy that the Minister of Education has tightened up those requirements. I do not think he would get one now, but he won an Exhibition in his time. What I would say to

the Member is that the person who wrote the article is trying to tell us that if in 1986 I bought a red Ju-C for 75 cents and I bought a Ju-C in 2017 for \$2 -- oh dear -- the person who sold me the Ju-C is killing me because I am paying \$2 for a Ju-C in 2017 when in 1986 the Ju-C cost 75 cents.

*Asides.*

Mr. E.G. HINKSON: I rise on a Point of Order, Sir. The Honourable Member is misleading the House. The first thing is I quoted from the Central Bank of Barbados, which is the authority on figures. The Central Bank of Barbados gave those figures on the taxation by this Government of the people of Barbados, and the Honourable Member ought to know better than that. The second thing is that he is misleading the House, Sir. Nobody is talking about 1986. We are talking about a period of the last nine years and comparing it. In fact, he is now drawing a comparison with the nine years of the last Barbados Labour Party Government, which was certainly not 1986, so he is misleading us. He knows better. At least, I believe he knows better, Sir.

MR. SPEAKER: He is entitled to draw his own comparisons, though. Honourable Member, please continue.

Hon. C.P. SINCKLER: Mr. Speaker, the Member came in here and the Member has relied on bad writing, incorrect social science and bad arithmetic. He did not take into account the person who wrote it: Movement for Inflation. He did not take into account increase in prices and the cost of items. He did not take into account what was left by the last Government for us to finance, Mr. Speaker, Sir, because when the last Government built the prison, they left that for us to pay so you have to raise taxes to pay that. When the last Government built the Judicial Centre, they did not stick around or the people did not have them stick around to pay for it. We had to pay for it. When the last Government built Greenland, where not even a toffee paper has gone -- \$100 million -- we had to find the money to finance that.

*Aside.*

MR. SPEAKER: Yes, Honourable Member.

Mr. E.G. HINKSON: On a Point of Order, Mr. Speaker, Sir. The Honourable Member continues to mislead the House. Greenland never cost \$100 million. He knows better than that. When I first came in this Parliament, Sir, that Honourable Member said that it was \$60 million; that Honourable Member. That figure then was raised by the same Honourable Member to \$80 million. Within recent times, Sir, he has raised it to \$100 million; the same Honourable Member, Sir. Which figure is

it? In fact, my understanding is that it is no more than \$40 million.

MR. SPEAKER: Forty million. Okay. Honourable Member, please be corrected.

Hon. C.P. SINCKLER: Mr. Speaker, Sir, the reason why that figure has to be adjusted is because every day literally we find a different bill associated with it, and we have to keep adding and adding and adding. In fact, I believe it is now \$120 million. The truth is I am waiting for that to be verified.

*Asides.*

Hon. C.P. SINCKLER: Mr. Speaker, Sir, I have to wrap up because I think the time is up.

MR. SPEAKER: Yes.

Hon. C.P. SINCKLER: The point is this: If you left a whole set of things for the Government to pay for, we would have to impose taxes to raise the money to pay for them, so you would expect that the Government coming in would have to raise additional taxation and tax revenue in order to pay for the things which the last Government left. We are still paying for Kensington. We are paying for the Barrack Building, which of course the Government has had to pay for four times or three times. They started to pay Mr. Barrack, then they had to get the Chinese to finish it, then they had to turn around and pay Mr. Barrack again, and we had to pay the court case, so we have paid for the same building four times.

MR. SPEAKER: Honourable Member, you started....

Hon. C.P. SINCKLER: Yes, I have to wrap up now.

MR. SPEAKER: You have to wrap up. Please wind up. Please.

Hon. C.P. SINCKLER: Just with those few words, I think this is a good Amendment and therefore, Mr. Speaker, Sir, with those words I want to beg to move that this Bill be read a second time.

H:No.D16 (45)

Hon. D. INNIS: I beg to second that, Sir.

*The question that the Bill be read a second time was put to the House and resolved in the affirmative without division.*

*On the motion of Hon. C.P. SINCKLER seconded by Hon. D. INNIS, the House resolved into Committee Mr. J. D. PAUL, Chairman of Committee, in the Chair.*

## COMMITTEE

Mr. CHAIRMAN: This Honourable House is in Committee.

*Clause 1 -- 6, inclusive were called and passed.*

The Schedule became the Schedule to the Bill.

*On the motion of Hon. C.P. SINKLER: , seconded by Hon. D. INNISS, 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. D. INNISS, the Bill was read a third time and passed and cited as the Value Added Tax (Amendment) Act, 2017.*

## ADJOURNMENT

Hon. J. D. E. BOYCE: Mr. Speaker, with that we have come to the end of Government Business for today. I beg to move that this House be adjourned until Tuesday, September 26, 2017 at 10.00 a.m.

## SPEAKING ON THE ADJOURNMENT

Mr. Speaker, speaking briefly on the adjournment, just to acknowledge that we have moved into the season of Cropover which will be reaching its high point over the next two weekends or so and, of course, immediately after that, we will be looking at our CARIFESTA celebrations here in Barbados. It is normal sometime around this time that we do take what is termed the summer recess but of course, the recent references to fall, summer and winter, I speak very cautiously about a summer recess but stick to the fact that we are dealing with the period now and September 26, 2017. Sir, we take this opportunity to wish all Honourable Members a comfortable break. There is always time to recharge our batteries and to of course, take advantage of the time to get closer to our constituents who are the ones who have asked us here to be their representatives and, bearing in mind especially that this is probably the last summer recess before the next General Elections in Barbados it would be good advice if the The Honourable Member for St. Michael South East especially pays very careful attention to that bit of advice.

Mr. Speaker, of course, the clerk and his team at the table, the other employees at Parliament, the security, the workers here, the Hansard department and the associate support staff will also take the opportunity to schedule their holidays probably at this time but that is a different matter all together, it is not really part of the concern of us being matter. there is an administrative arm set up to deal with those things. Of course, the security provided to us by the Royal Barbados Police Force will also take a break but of

course, they will probably have tremendous responsibility given the events which I refer to.

Mr. Speaker, I certainly want to join in wishing you and all members of the Parliament a very restful break and look forward to returning on September 26, 2017, to move into a new sitting of this particularly session.

Mr. Speaker, I leave the special wishes about Cropover to the Honourable Leader of the Opposition. She is of course much more au fait with the details of the Cropover season. I am an occasional tent visitor, I will try to take in the finals probably and enjoy some of the music offerings. I will probably take a journey to St. Philip and join the Bushy Park posse on Sunday. Sir, I want to wish everyone a restful break.

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

Miss S.O. BRADSHAW: Mr. Speaker, thank you. Just speaking on the adjournment. I would want to also echo the sentiments of the Leader of Government Business as well in wishing everyone a safe and enjoyable Cropover. It is indeed, as he pointed out, a very special time of the year for me, having worked in the industry for several years developing the infrastructure around the music industry in particular. This year, however, I note that CARIFESTA seems to have taken much precedent over the Cropover Festival. The Government of Barbados is spending significant sums in relation to that part exercise. I hope that the success that should come from with the investment would certainly redound to the benefit of all Barbadians and I would hope also that the Cropover Festival meets the expectations of not just the Government but also certainly the stakeholders because indeed you have to have a balance in terms of beneficiaries of the Cropover Festival.

Mr. Speaker, I would also want to encourage Honourable Members on the other side to take advantage of the "This is Rick Show" on the Cropover Saturday. I have never seen any Honourable Members at that particular show, it is not even mentioned on the Cropover calendar and I hope that the Honourable Minister would take note of that. It is the premier event of one of the leading artiste of Barbados and entertainers of Barbados, Lil Rick.

## Sequence 46

It is a show which I believe Honourable Members should make an effort to attend and I take this opportunity to put in that plug, Sir, because I do believe that we have to continue to promote our own while at the same time, ensuring that we can represent other persons from the Caribbean within our culture as well. I do wish everyone an enjoyable season.

I do hope that the Prime Minister will heed the advice of Members on This Side to meet with the Social Partners and to ensure that the festivities are not interrupted unnecessarily by a lack of dialogue. Sir, with those few words, I am obliged.

Mr. SPEAKER: Let me endorse and align myself with the comments of the Honourable Member for Government Business. I want to thank all of you and, of course, wish you all a very safe and happy Crop Over.

*The question that the House be adjourned until Tuesday, 26th September, 2017 at 10 o'clock a.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.*

House D 16 Seq 47 7.48 p.m.

## CONTENTS

## MINUTES

|                        |   |
|------------------------|---|
| Hon. J.D.E. BOYCE..... | 2 |
| Hon. R. D. Jones, 2.   |   |

## PAPERS

|                           |   |
|---------------------------|---|
| Hon. C. P. SINKLER.....   | 2 |
| Hon. D. St.E. Kellman, 2. |   |

NOTICES FOR MOTIONS FOR THE ADJOURNMENT  
OFTHE HOUSE ON MATTERS OF URGENT  
PUBLIC IMPORTANCE

|                         |   |
|-------------------------|---|
| Mr. K. D. SYMMONDS..... | 2 |
|-------------------------|---|

## ORDERS OF THE DAY

## SUSPENSION OF STANDING ORDERS

|                          |   |
|--------------------------|---|
| Hon. J.D.E. BOYCE.....   | 3 |
| Hon. A.D. Brathwaite, 3. |   |

## GOVERNMENT BUSINESS

|                                                                                                                                                                                      |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| ORDER NO. 18 – TO MOVE THE SECOND READING<br>OF THE VALUE ADDED TAX (AMENDMENT)<br>BILL, 2017.....                                                                                   | 3 |
| Hon. C. P. Sinkler, 3; Hon. C.P. Sinckler, 7; Hon. A.D.<br>Brathwaite, 8; Mr. K. D. Symmonds, 8, 9, 10, 11, 12;<br>Hon. D. St.E. Kellman, 12, 13, 14; Miss S. J. O.<br>Bradshaw, 16. |   |

## RESUMPTION

## ORDER NO. 18 (resumed)

Hon. J.D.E. Boyce, 19; Hon. A.D. Brathwaite, 19.

## GOVERNMENT NOTICES

|                        |    |
|------------------------|----|
| Hon. J.D.E. BOYCE..... | 19 |
|------------------------|----|

## FIRST READINGS OF BILLS

|                                                                                                                                                                                                                                                                                                                                                                                                                       |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Hon. J.D.E. BOYCE.....                                                                                                                                                                                                                                                                                                                                                                                                | 19 |
| Hon. A.D. Brathwaite, 19; Mr. K. D. Symmonds, 20, 22;<br>Miss S. J. O. Bradshaw, 22, 30, 45; Hon. R. D. Jones, 23,<br>25; Mr. D.G. Sutherland, 25, 26, 27; Hon. R.L. Sealy, 32,<br>33, 34; Lt. Col. J.D. Bostic, 34, 35; Hon. Miss M. A.<br>Mottley, 36, 38, 39, 43, 45; Hon. C. P. Sinkler, 38, 39;<br>Hon. C.P. Sinckler, 40; Rt. Hon. F. J. Stuart, 40, 42, 43,<br>44; Mr. G.W. Payne, 42; Mr. D. D. Marshall, 43. |    |

## RESUMPTION

## ORDER NO. 18 (resumed)

## GOVERNMENT BUSINESS

|                  |         |
|------------------|---------|
| SUSPENSIONS..... | 19, 46. |
|------------------|---------|

|                  |    |
|------------------|----|
| ADJOURNMENT..... | 61 |
|------------------|----|

Hon. J.D.E. Boyce, 61.

## SPEAKING ON THE ADJOURNMENT

|                             |    |
|-----------------------------|----|
| Miss S. J. O. BRADSHAW..... | 61 |
|-----------------------------|----|

## SPEAKERS IN THIS ISSUE

**BOSTIC, Lt. Col. J.D.**

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

**BRADSHAW, Miss S. J. O. (St. Michael South East)**

**BRATHWAITE, Hon. A.D. (St. Philip South)**

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

**INNISS, Hon. D. (St. James South)**

**JONES, Hon. R. D. (Christ Church East Central)**

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

**MARSHALL, Mr. D. D. (St. Joseph)**

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

**PAUL, Mr. J. D. (St. Michael West Central)**

**PAYNE, Mr. G.W. (St. Andrew)**

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

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

**SINKLER, Hon. C. P.**

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

**SUTHERLAND, Mr. D.G. (St. George South)**

**SYMMONDS, Mr. K. D. (St. James Central)**

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**EDITORIAL NOTES — NOT PART OF THE REPORT**


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*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 and date.** The convening sentence in the source gives the date as Sunday, June 25, 2017, but the heading and file name give Tuesday, July 25, 2017, which is used. Please confirm.

**Q2. Masthead.** The session is not stated in the source, so no session line is printed.

**Q3. Dates in the text.** The source gives ‘Tuesday, June 25, 2017’ (25 June 2017 was a Sunday). The weekday and date do not agree; printed as in the source.

**Q4. Minutes.** Mr. Speaker’s announcement reads ‘The Minutes of Tuesday, Tuesday, July 18, 2017.’ Printed as in the source.

**Q5. Papers, item 1.** The title has unbalanced brackets in the source: ‘Duties, Taxes and Other Payments Exemption Barbados Tourism Marketing Inc., (BTMI) (Order, 2017.’ Printed as in the source.

**Q6. Matter of urgent public importance, Mr. K. D. Symmonds, take-slip about 2.30 p.m..** After take-slip ‘House D 16 Seq 17 2.30 p.m.’ about 700 words, beginning mid-quotation (‘... thousands of workers and their families’), are labelled ‘Miss S. J. O. BRADSHAW’. The passage appears to continue Mr. Symmonds’s speech: Mr. Speaker then tells the Member it is his last sentence and Mr. Symmonds concludes. Printed as in the source. Please confirm.

**Q7. Value Added Tax (Amendment) Bill, Mr. E. G. Hinkson.** During a point of order on Mr. Hinkson’s speech, the words ‘On a point of order, Mr. Speaker, the Honourable Member is obviously misleading the House...’ carry the label ‘Mr. SPEAKER’, though they are a Member’s point of order; Mr. Speaker’s ruling follows under the same label. Printed as in the source.

**Q8. Speech labels.** Several names are spelt more than one way: ‘Mr. E.G. HINKSON’ and ‘MR. E.D. HINKSON’; ‘Miss S.O. BRADSHAW’ and ‘Miss S. J. O. BRADSHAW’; ‘Hon. C.P. SINKLER’ and ‘SINCKLER’; ‘Hon. D. KELLMAN’ and ‘Hon. D. St.E. KELLMAN’. Printed as in the source.

**Q9. Take-slips.** Several reporters’ take-slip notes appear as ordinary paragraphs in the source (for example

‘House D 16 Seq 2’, ‘H:No.D16 (5)’, ‘H:No.D16 (15)’, ‘H:No.D16 (45)’), and one House take-slip reads ‘S:D16(14)12.42 p.m.’. Printed as in the source.

**DEBATE SUMMARY**

*(Editorial summary — not part of the record.)*

The House of Assembly met on Tuesday, 25th July, 2017 at 10.15 a.m., with Mr. Speaker, His Honour Michael A. Carrington, in the Chair; prayers were taken by Reverend Canon Ivan Harewood. Hon. C. P. Sinckler laid two Duties, Taxes and Other Payments Exemption Orders, 2017, and Hon. D. St.E. Kellman the National Housing Corporation 38th Annual Report for 2010 to 2011. Mr. Speaker certified as a matter of definite and urgent public importance a motion by Mr. K. D. Symmonds, the Member for St. James Central, which recited the protest of 24th July by the trade unions and the private sector and called on the Government to convene a meeting of the Social Partnership without further delay. Standing Orders were suspended.

Under Order No. 18, Hon. C. P. Sinckler moved the second reading of the Value Added Tax (Amendment) Bill, 2017, giving effect to measures from the 2015 Budgetary Proposals and the International Monetary Fund’s tax review: the VAT registration threshold was raised to \$200 000, and the VAT-free basket was redefined by tariff line, since broad headings had let in items such as T-bone steaks and Dark Swiss chocolate. Mr. Symmonds cited the IMF finding that firms with turnover over \$1 million paid 88.6 per cent of VAT and criticised the delay; Hon. D. St.E. Kellman defended the National Social Responsibility Levy and withdrew an unparliamentary remark; and Miss S. J. O. Bradshaw said the Government had failed on growth. The Sitting was suspended until 2.00 p.m.

The Order was then postponed, the National Insurance and Social Security (Amendment) Bill, 2017 was read a first time, and the urgent motion was debated for two-and-a-half hours. Mr. Symmonds said the Opposition came not to censure but to appeal. Hon. R. D. Jones traced the history of the Social Partnership; Mr. D. G. Sutherland, who withdrew a remark at the Speaker’s direction, said the NSRL had risen to ten per cent to raise some \$280 million. Hon. J. D. E. Boyce and Hon. R. L. Sealy spoke for the Government, Mr. Sealy calling the union leadership ‘a little misguided’; Lt. Col. J. D. Bostic urged cool heads; and Hon. Miss M. A. Mottley appealed to the Prime Minister to meet the partners.

Hon. C. P. Sinckler said the Budget’s impositions totalled \$320 million. The Prime Minister, Rt. Hon. F. J. Stuart, described meetings of the Social Partners on 27th

February and 3rd March, 2017 and the working groups he had set up, and recalled that the Partnership dated from 1992. Mr. G. W. Payne and Mr. D. D. Marshall raised points of order on the time allowed him. When time expired Hon. Miss Mottley asked that the question be put, saying the Prime Minister had spoken for 42 minutes against Standing Order 30(5); Mr. Speaker ruled that he had no discretion to put the question, and the Sitting was suspended until 5.45 p.m.

On resumption, Mr. E. G. Hinkson, the Member for St. James North, criticised the VAT increases since 1997

and withdrew a remark about contracts after points of order from Hon. A. D. Brathwaite; Mr. J. D. Paul and Hon. D. Inniss supported the Bill. Mr. Sinckler replied on the slot machines, Greenland and the IMF report, and the Bill was read a second time, passed Committee, Clauses 1 to 6 and the Schedule, and was read a third time.

On the adjournment, Mr. Boyce and Miss Bradshaw wished Members a safe Crop Over and CARIFESTA, and the House was adjourned until Tuesday, 26th September, 2017 at 10.00 a.m.