THE

SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1986–91

THE SENATE

Tuesday, March 31, 1987.

The Senate met in the Senate Chamber, Public Buildings on Tuesday, March 31, 1987, at 11.15 a.m.

PRESENT

His Honour Senator F. L. Walcott, O.B.E., (President)
His Honour Senator M. deL. Jordan, (Deputy President)
Senator the Hon. Sir James Tudor, K.C.M.G., (Minister of Foreign Affairs) (Leader of the Senate)
Senator the Hon. L. V. H. Lewis, (Minister of State, Public Service)
Senator A. Morrison
Senator F. G. Smith, Q.C.
Senator N. W. Boxill
Senator D. A. Comissiong
Senator V. C. Fraser
Senator G. L. Eastmond
Senator A. J. N. Phillips
Senator T. A. Prescod
Senator L. R. Tull, Q.C.
Senator J. C. W. Wickham, M.B.E.
Senator the Rev. Canon I. McK. Jones
Senator L. A. Ward, G.C.M.
Senator P. Y. Forde
Senator J. S. Goddard
Senator Dr. L. L. Shorey.

Prayers were led by Senator the Rev. Canon I. McK. Jones.

Mr. PRESIDENT: This Senate is in session.

PRESENTATION OF PAPERS

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I am command to lay the following:

A Statement showing Net Customs and Excise receipts for ten months ended 31st January, 1987.

PUBLIC BUSINESS

BORROWING OF £30 MILLION FROM BARCLAYS BANK PLC

Order No. 1 was called – To move the passing of a Resolution to approve the borrowing by Government of the sum of £30 million sterling or its U.S. dollar equivalent from Barclays Bank PLC.

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I am asking leave for this order to be taken charge of by the Minister for the Public Service.

Mr. PRESIDENT: If there is no objection, the Honourable Minister may proceed.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, when last we met in this Honourable Chamber, a Bill providing for raising the limit of monies to be raised under the Special Loans Act was passed. Today we have a Resolution which seeks authority to borrow approximately Bds$90 million, principally to meet the debt obligations as we continue to refinance the country's debt, and also to assist with the capital programme for fiscal year 1987 – 88.

Already this year an amount of Bds$52 million has been used on debt servicing, and when we were discussing the Estimates, we pointed out that there was need for just over $80 million in order to service the country's foreign debt. I am advised that there is no shortage of funds in the Treasury. Indeed, today being the last day of the financial year, the question of monies being used in this financial year probably does not arise. So we know that in passing this Resolution we are targeting at the capital works programme which was recently presented during discussion of the Estimates, and one of our concerns is that this debt really is intended to start

repayment of the foreign loans which were raised over the past five years which had four year moratoriums and which now, the repayments having bunched, will begin in this year, and hence the need to raise this substantial sum of money on the foreign markets.

The £30 million loan is to be raised from Barclays Bank PLC.

Mr. President, I do not think that we need to say much more on that, and I therefore beg to move that this Resolution be concurred in.

SENATOR L. R. TULL: Mr. President, I wonder how far the Government is going to continue arguing that all these foreign borrowings are related to paying off debt repayments, debts which were contracted before they came into Government. We have been in here before, on four different occasions, for loans, and that has been the constant refrain.

Today, however, in addition to that, we see that the Government is borrowing this money not only, as the Minister said, to meet foreign debt repayments due in the fiscal year 1987 – 88, but we are hearing also that the money is to finance certain capital works started before May 28, 1986, and also other capital programmes which will be started during the fiscal year 1987 – 88. We also hear that this money will help to reduce the pressure on foreign exchange reserves and liquidity of the Central Bank which would result in substantial debt repayments over the next four years. Finally, the money is to take advantage of favourable market conditions and build up a reserve to meet future repayments.
11.25 a.m.

In short, Mr. President, the Government is saying that there is an omnibus purpose for this loan, and I would have thought, in the interest of setting out with the utmost clarity the Government's position in respect of these loans, that they would tell us in what way they would allocate this almost $100 million among these four categories. I am still hopeful that, at the end of the day, the Minister would be able to tell us exactly how much is being allocated for capital works programmes that are already going on, how much is to build up the reserves now that the money is cheap and how much is for foreign debt repayments and the like. I think this is very necessary for an important public debate on these rather critical issues.

In 1986 – 87, Sir, the Government had set aside $61 million for project financing. The present Government has said that it would only spend $150 million on capital development in the financial year 1986 – 87. By the time they became the Government, $61 million had been identified and earmarked for capital works projects and, therefore, in any computation of what is required for all these things we are hearing, that $61 million must be subtracted. But no sooner than the Government was installed, Sir, than we came in this Honourable Chamber to approve the loan of $57 million on the Japanese Capital market, and before we could blink the Government was back for a loan of $60 million from Natwest County Bank of the United Kingdom. Those three amounts identified – $61 million before the Government changed, 57 million Japanese yen loan and $60 million from the Natwest County Bank – gives a total of $178 million. The Government said that it would spend only $150 million during this financial year which ends today, which leaves a balance a difference of $28 million.

Further, Mr. President, the Government also collected money from Treasury Bills, because that is one of the things that came to us shortly after the Government changed. You would remember, Sir, that they raised the limit of Treasury Bills that could be issued. I do not at this moment remember exactly how much money was in fact acquired through the issue of Treasury Bills, but I do know that the annual average for Treasury Bills has been about $50 million. So you add on that $50 million and we have $28 million and $50 million, $78 million.

My question, Mr. President, is, is the Government giving us all the facts? This is not to say, Sir, that what the Government is telling us is not true, we accept that as the truth. But is the Government telling us the truth, the whole truth, and nothing but the truth? Because if the figures span out – and I do not think anybody can challenge those figures, I write them down every time we come in here – we have got this figure of $70 million between the capital works expenditure projected by Government – in fact, I do not think they met it – and the $220 million that was identified. What is happening with the rest of the money?

Both political parties in this country have for the better part of three decades accepted that it is bad financial practise to borrow money to pay for current expenditure, that current expenditure must be met from taxation and that borrowing should only be done for capital expenditure, expenditure that would work in the areas of the economy that would provide impetus to growth, creation of jobs and so on. But I rather suspect, Sir, and I put it no higher at this moment than a suspicion, that a lot of this money is being applied to meet the fiscal deficit, the Current Account deficit, and also for regular housekeeping matters, current expenditure. That is my suspicion, but that suspicion can be dispelled by a clear and unequivocal statement by the Government as to exactly how this money is being spent.

I have no doubt at all, and this is not a suspicion now, that the Government has got to borrow money, despite certain protestations, despite all the song and dance the Government had about the National Debt, and despite the pronouncements by the Prime Minister in May of last year that he will not be borrowing any more

money externally, that he will borrow any money he has to on the domestic market. Despite those strong and fighting words, I believe, and I have no doubt about it at all, that the Government is borrowing money in large measure to get back what they lost in revenue over what I still classify as over-generous tax concessions. It is very easy, Sir, without proper study, to do things that appeal to the masses. Bread and circuses is an old Roman tactic to keep the population happy for the time being. But bread and circuses in the days of the old Roman Empire did not cost as much as the kind of bread and circuses that were issued out last year in the Budget through these various tax concessions, and what has, in fact, happened is that by borrowing to make up for that loss in revenue, this Government is mortgaging the lives and the resources of children born and unborn in this country.

I have no quarrel at all with the principle that, for capital works programmes, you have to borrow money and let succeeding generations pay some of the money. I do not think we should pay all ourselves. Our children will benefit from the polyclinics we borrow money for, the schools, fishing harbours, agricultural diversification and the money that is being borrowed to put into the Barbados Development Bank to be onlent to the manufacturing industry and the tourist industry. All this money is going to ensure that our children and our children's children will have a better quality of life than if we ignore these things, and therefore, they have to pay for some of it. They are going to have a working life of 40 years, let them spend some of the 40 years paying for some of the things that we provide for them.

So I have no quarrel philosophically with the Government getting into borrowing for capital projects that generations to come will enjoy, and therefore, have to pay some part of. What I am not philosophically in favour of, is that those generations should be paying for money that has been wantonly taken and put in the pockets of well-to-do people in Barbados and prosperous public companies. I feel very strongly about that, because when you give $67 million or $70 million or $100 million, according to what the figures are, back in so-called tax concessions, what you have in fact done is to give those who are well off more money to spend, that is an indisputable fact, you have also given public companies more money to spend and bigger profits to make, but you have given the people at the bottom, the unemployed and those who do not work for very much, nothing, and it is their children who will have to pay back this loan for the money that you have given to the big shots of this country. To me it is a cruel blow to inflict on the mass of people in this country. If anything has come out of all these concessions you keep hearing about, it is that the rich have done better and the poor have done worse, and if we had just got away with it just like that — fine, but now you are asking a generation to come and pay for these things.

11.35 a.m.

I want, Mr. President, to make it absolutely clear, because when you do not keep your bat and your pad close together, the ball goes through, that I have absolutely no quarrel with money being put in any area that will generate growth, improve the quality of life, earn more foreign earnings and put people to work. But it is an indisputable fact again, Sir, that that has not happened.

I know that the answer to all that is that Rome was not built in a day — give us time, 18 months, or two years. Prime Minister Thatcher, with the identical policies, waited nine years before she could say, 'We are now seeing daylight.' Over three million people are unemployed under her policies, and for the first time, three weeks ago the figure was going down to around three million and just under, and she is now saying, after nine years of identical policies that are being pursued by the Democratic Labour Party Government, that she is now beginning to see daylight.

When it takes nine years or 18 months it is a matter of great importance to a lot of people. Maybe it is not important to some of us in here, because we can say, 'I am all right, Jack, but you cannot ask a man who has four children and has no work, and none of those children can get a job, to wait 18 months, because by the time the 18 months come, the money he needs is for the undertaker. So when I hear these arguments about it takes time to work through the system, so you have to wait 18 months and two years and three years before these measures bite, I want to say, Mr. President, that the social pain is biting right now, and will continue to bite until we see measures that will relieve unemployment, and ensure that while you are seeking to achieve one thing on the one hand, you are helping on the other.

I, Mr. President, am strongly committed to social democratic principals. You, Mr. President, would know more than most, that for the last 50 years this country has made whatever progress it has made because Government played the catalytic role in the development of this country. There was a period before the last 50 years. Sir, when the private sector, so-called, was the one which was supposed to keep the country going, and we know how they kept it going, Sir, and then there was a change. First of all, there was a catalysis, a good purging out, and then good social democratic principles by enlightened leaders of the time, both political and labour leaders, moved towards giving Government a greater say in the movement of the economy, to the benefit of the people as a whole. Government did not sit back and say, like I have heard the Leader of the House say sometime ago, that he is looking forward to the day when housing would not be in the public domain. I do not put the words too well, Sir, but it means that Government will not be in housing, that that would be the domain of the private sector.

(Aside: Out of landlordism!)

SENATOR L. R. TULL: Out of landlordism, that is right. As I said then, and I say again, Sir, Government has an inescapable role in developing countries to be plugging all the gaps that the private sector cannot plug. I have no quarrel with the private sector. It may sound that I am saying that, but I do not mean that. They also have an important role in the development of this country. But Government cannot, and must not, abdicate its inherent responsibility to look after the underprivileged, those who have been hard done by, by saying you put money in the private sector and wait until that works itself through the system and things may go very well for you. Something is wrong with that.

Only last week I heard Senator Forde say that $800 000 has been cut from Child Care. What kind of Government could this be? How can a Government give to the rich people and the big businesses and cut $800 000 from the little hungry children in the day care centres all around Barbados? It is a Government of insensitivity!

Asides

SENATOR L. R. TULL: Welfarism. Well, you tell the women from St. George who have come and spoken to me and who went down to the Welfare Office and asked for the usual $50 or $60 to help buy a pair of shoes or a dress for a child to go back to school and were told they did not have any money. You tell them about welfarism, because that has been happening.

Aside

Hon. L. R. TULL: Well, it happens all the time. It happened in any year, 82–83, 42–43, 22–23. All I am saying is that it must not happen now. There is no point in telling me something happened sometime ago, so it must continue to happen all the time.

We predicted, Mr. President, that the outcome of the Government's proposals, not well thought out as they were, would result in one of two things, in the alternative or conjunctively, Sir, either there will be cuts in social services, or there will be cuts in jobs, or there will be cuts in social services and in jobs. All that has happened. There have been cuts in jobs in the Public Service, and nobody can argue against that. There have been cuts in services. I mentioned welfare in talking about Child Care. There have been cuts in Community Development. There have been cuts all over the place, and there have been cuts in jobs, because a number of Public Service jobs have been terminated.

Mr. President, if there were adequate safety nets for these people, I would not complain, and that is the distinction between a developing country like Barbados and an industrial developed country like Great Britain, West Germany or France, because these conservative leaderships and the Democratic Labour Party is a conservative party, everything about its programme tells us that – including the United States, have pursued identical policies, but they have safety nets. If three million people are unemployed in Britain, their Social Services programme allows them to draw money from all the offices scattered all over the United Kingdom and, therefore, they can meet the basics. If in France, and the Scandinavian countries, some of whom have these policies, by their policies they have whatever increase in unemployment, again there are Social Security laws that make provision for those unemployed people to get something at the end of the week to keep body and soul together. Not so in Barbados, and that is why it is dangerous, Sir, extremely dangerous, for a developing country with the abundance of intellect in these countries!

11.45 a.m.

Sometimes we sell ourselves short. We are always prepared to pick up a report from the World Bank or the IMF, this agency and the next agency overseas, and when we read it, accept lock, stock and barrel everything as gospel, although the people who sat down and wrote the report are people who went to school with a number of our own Barbadian boys and girls and did not do as well in school as our people did. Therefore, we have to be very careful that we do not become like the people who read the newspaper and tell you, ' I read it in the paper so it is true.' We must be careful that we do not, because it comes down in heavy documents from the northern countries, say that is would do.

I remember, Sir, 1982, when President Reagan got on this CBI jaunt and talked about the magic of the market-place. I was very much involved, and I remember that at the time we tried to point out that the magic of the marketplace in Detroit is a very different thing from the magic of the marketplace in Bridgetown or Roseau or Castries, and that you can sit in your lofty mansion way up north and seek to pontificate to people in developing countries who were far brighter than you were, but that this magic of the marketplace was something that was somehow out of line with the development strategies of countries in the Caribbean. Well, big money spoke, Sir, and big power spoke. The result is that a lot of money that should have been channelled to Governments, whether it is a BLP Government or a DLP Government, which, even by the composition of the Government, by the individual persons and their own personal experiences and their exposure in the community, are better aware of what needs must be met than any bureaucrat in any capital anywhere else.

We felt that a lot of the money should have gone to the Governments, but there was a different view. They set up a lot of private sector agencies around the Caribbean

and funnelled millions and millions of dollars into them to see if they could bring some light to the benighted political leaders. I think it was an insult to us, but we have to observe and learn from these things.

I am not one who is going to go down the total private sector road. It has its role, it has played a very important role in the development of Barbados and it will continue to do so, but, as I have said in here before, Sir, the private sector in Barbados is unsuitable by experience, training and mentality to adopt the role as movers and shapers in economic development. They are primarily retailers, importers, people who buy and sell. That is not to knock them, but that is safe money. You will hear manufacturers talk about losing money, but people who are buying and selling are not complaining about losing any money. Therefore, do not expect that the private sector is going to rush out, because of the largesse of Government, and start throwing the money of their shareholders behind what they still consider to be doubtful projects in the area of manufacturing and other industries.

I want, Mr. President, in this context, to repeat that this continual refrain about the Government borrowing money for foreign debt repayments is making fun at the people of Barbados. I am not taking them seriously, and they do not expect me to take them seriously. Only about 10 per cent of our foreign earnings go towards repayment of foreign debt. When you hear the Government speak, Sir, you get the impression that 80 per cent of every dollar you earn in foreign earnings, you have to go and run and pay debt. If the average worker in Barbados had only to pay 10 per cent of his income in whatever is the equivalent of foreign debt repayments, this would be a beautiful island to live on, so do not let us get carried away – it is only 10 per cent that you pay. And the way in which you get the money to repay these foreign debts is not the crying and running overseas and borrowing the money and blaming the Barbados Labour Party Government as if they borrowed money and went out and played lotto or pool or black jack with the money. It was spent on the country, it is visible, you can see it all around. I have not heard a single criticism by the Government that that is not the case.

Mr. President, when you borrow this money, as I said, and talk all the time about foreign debt repayments, you really are missing the boat. What is important is that you take some of the money – and you do not need any foreign borrowings to do that – some of the sixty something or eighty something or a hundred million dollars that you gave away and put it for promotion of industry, manufacturing, tourism and agricultural industry. Spend some money promoting instead of giving away $67 million or whatever it is, give away some and keep some for promotion, because if you promote manufacturing, tourism and our general export thrust, you are going to earn the money from overseas and, therefore, you will not have to borrow.

The Chinese have an old proverb, Sir, give a man a fish and you cure his hunger for the moment, teach him how to fish and you cure his hunger for ever. If the Government would take up some of this money that they have to give away to everybody who seems available to stick their hands out, provided you have an income high up, not if your income is low down, and put in promotion in these areas, we will earn the £30 million. We will earn it from exports, tourism and our external financial services, and therefore, we will not have to borrow.

We also have to take some of the money and put it in retraining and in training, so that we can have a sharp, and alert, modern up-to-date work force that is able to accept the challenges that are required for a country that wants to have export-led development.

I see that we are pinning hopes on Trinidad and Tobago. I hope that the Leader of the House will tell us something about it later today, because this perennial thing about Trinidad and Tobago and markets in Trinidad and Tobago means that we have not learnt anything. We are trying still to put all our eggs in one basket. The Government of Trinidad and Tobago and the private sector in Trinidad and Tobago have talked to the Government of Barbados backward and forward in the last few years, and every single time we hear breakthrough, agreement, things looking up, manufacturers can now run down to Trinidad with their order books and come back here and set the mills going.

The Minister of Trade, in August/September, went down there and let them wangle something around them and came back here and talked about 2,000 jobs by Christmas – he must be Houdini, Sir, 2,000 jobs by Christmas! – because the Trinidadians told him that they are going to open up everything. And I am reading in the paper again that they had some secret meeting over the weekend which turned out not to be so secret, because the people in Trinidad leaked it. They are very good here, it was not leaked at this end, it was leaked in Trinidad about these private meetings. I do not accept all I read in the newspaper, so I would like the Leader of the House to tell us some time before this debate is finished, if he can, or if he is disposed to, what kind of new arrangements there are that will begin to give us new hope in our manufacturing industry in Barbados in respect of exports to Trinidad and Tobago.

11.55 a.m.

I want also, Mr. President, in this context, to say that it seems a remarkable policy for a Government that agrees that there must be export-led growth in this country – you have to export if you are going to survive, if you do not export you will be doomed – to cut money

that was usually made to the Export Promotion Corporation for promotion overseas.

I have heard the experts say that the ratio between administration costs and promotion costs in the Tourist Board is somewhat out of line, too much is spent on administration *vis-a-vis* promotion, and there are suggestions coming from people in the Government, not the Opposition, that that imbalance must be redressed, that there must be a ratio of 60:40, 60 administration, 40 promotion. I do not know what is magical about it, and if they say so, they say so, because it is not an area in which I have any particular knowledge and, therefore, I am not going to pontificate on it. But people in Government are saying that the ratio should be 60:40, yet the very Government comes before us this year and gives us the kinds of figures in the Estimates that make it impossible for that ratio to be realised.

I want to say one thing quickly about the attitude of Government now and what it used to be. I sat in the Other Place from about 1978 – 1986 and I heard the now Minister of Finance, for most of that time the Shadow Minister of Finance, express some very strong sentiments against policy that he saw was wrong, and he used to do it on a regular basis, because the feeling was that if you say something often enough and people hear it often enough, it becomes truth. Goebbels was a master of that. It reminds me of when I was a little boy and I used to hear an ad for Thermogene – "Rub a dub dub, three men in a tub". Everybody used to say that; even when you were not thinking, you used to hear people say that. When you say it often enough, it sinks in, and the current Minister of Finance is a man who understands the theory that repetition in advertising, even if what you are saying is wrong, will eventually be accepted as truth.

But the current Minister of Finance, week after week, month after month, and year after year used to declaim exactly against what he is responsible for doing now. He is the one who used to say, although it never happened in our time that we borrowed on Current Account. Last year we projected a surplus on Current Account. My recollection is – I do not want to stick my neck out – that it is about $20 million, but we projected a surplus on Current Account. But despite that, that Minister, he was not Minister then, used to declaim against the Government for borrowing funds for current expenditure, and now he is doing exactly the same thing.

That Minister used to talk *ad nauseum* on our National Debt and say that it was burdensome, ill-advised and that the Government was grinding this country into the ground because of the burden of the National Debt. And all the satellites, all of them, went out and said exactly what he said, without understanding what they were saying, all across this country, and in here for some time we heard all that. Now, this Government is borrowing over $300 million in less than a year! That works out, if you continue at that rate, to one and a half billion dollars in five years, and no amount of saying, "we are borrowing to pay debts accrued before" is going to cut in the eyes of the public.

This is heavy borrowing by any account, and for the Minister of the Public Service to get up and introduce this Bill as if it was some minor matter that should not occasion any great deal of debate, it is just a routine thing, is an insult. It is not an insult to us alone, but to all the people in Barbados who listened to their pronouncements on the National Debt and about excessive foreign borrowing, were suaded by those comments, put their faith in them, and now have been badly disappointed.

Mr. President, I think it was last Friday, when we were all tired – I certainly was – and could not be bothered with it, that we had something come before this Chamber on the Special Loans Act which raised the ceiling in that particular Act. We often forget that if you do not have a good Central Bank, domestic borrowings can be as burdensome in a way as external borrowing. With external borrowing, you have to get foreign income to be able to pay that. You can pay local with local income, but unless you are either going to cut services to the public, or you are going to increase taxation, then the burden of repaying even domestic loans can be one for any sensible Government to think carefully about. So it is not only with external borrowing that we are having this departure in the cataclysm of the Democratic Labour Party, but also with domestic borrowings there is a departure from the DLP cataclysm, and that is why, Mr. President, I am going to close pretty close to where I started.

I want the Minister to tell us what percentage of this loan is going to go in repayment of foreign debt? I want the Minister to tell us what percentage is going to pay for ongoing capital projects, as they say, started before May 28, 1986? I want the Minister to tell me what percentage of it will go on other capital works projects started since May 28, 1986 and the ones that will be started during the 1987–88 period. I also want the Minister to tell me how much of this money will be placed in the Central Bank to relieve the pressures on the foreign reserves. I want the Minister to tell us all that because if he does not give us the information, to some extent, not totally, we are arguing in the dark. It is important for public debate and public information that the Government not hide these things but come out and tell us exactly where we are going.

Finally, Mr. President, I am warning the Government, weak as my voice may be with them, that the principles and policies that moved this country from a per capita GDP of US$1 300 in 1976 to US$4 700 in 1986, a phenomenon, an unbelievable expansion, must not be squandered or abandoned because of the pettiness

of the people who feel that, since they are in, they must do things differently. Doing things for the sake of doing things differently has merit only for a fool. What is required, Sir, is that there be informed and serious analysis of the policies before you debunk them. All across this country now we see a mad scramble by Minister after Minister to distance himself from previous policies without consideration of their merit or demerit. I even heard that my friend, Senator Phillips, said in here last week that the Government should keep the Arawak Cement Plant at arms length. I do not think that is what he meant. Maybe he got carried away in the debate. How you can ask a Government to keep an investment of over $100 million at arm's length, if you are serious, the kind of lunacy that one only associates with some of the characters who walk around Bridgetown and make a lot of noises all day long?
12.05 p.m.

I am asking the Government to be serious about the people's business, and not play you are keeping things at a distance as if that is a BLP thing and you are not touching that policy, whether it is in Education, Health or whatever, just because it is a BLP thing, because in the end, as Senator Eastmond always is wont to say, this country belongs to all of us, and all of us have a stake in it. I am concerned that if this kind of reckless and irresponsible borrowing, reckless and irresponsible only in terms of the reasons stated for it, continue, sooner or later the chickens will come home to roost.

SENATOR N. W. BOXILL: Mr. President, listening to Senator Tull, one would get the impression that he was born recently; and when I say recently, I mean last week, or that when the debates were taking place in the Chamber of which he was a member, he used to be out or was sleeping.

Just for the record, I made a statement in here last Tuesday on which Senator Tull and Senator Miller contradicted me and said it was not so. The debates which I have before me are the House of Assembly Debates for 1983, and I will read from page 2595. I said that the former Prime Minister had made a statement on the floor of the House when they were dealing with the Abortion Bill, and the words I used were "that every woman, within the last ten years, of child bearing age has committed an abortion." They said it was not so. This is what the goodly gentleman said:

"Honourable Members do not seem to understand what is involved in the fact that more than half of all pregnancies in Barbados end in an abortion. That is not a simple statistic. That is not something that you hear and you put out of your ear because you say there is a whole set of statistics and you don't understand them. It means that on every other occasion, indeed more than every other occasion; in my opinion, it is something like three out of five, or two out of three pregnancies in Barbados end in abortion. Perhaps in three occasions in every five when a woman is pregnant, she seeks to terminate that pregnancy before the full term."

I do not want to hold up the Senate by going on further, because he went on to say little more, but I have quoted that because I want to prove to this Chamber and to others that, apparently, Senator Tull and Senator Miller were either born recently or they do not listen when things are going on. As I said last week, and I will repeat again, I have a photographic memory and I remember things.

I said that the honourable Member was born yesterday or last week because on September 1, 1976, Mr. President, Tom Adams went up hill and down ditch in this country telling the people that the country was going to be sold out because the National Debt, which at the time was $241 million, was too high; your cow would get sold out, your sheep, your goat, your pig, everything, as a result of the DLP. Elections were on September 2, 1976, but by 1 o'clock on September 3, the same Tom Adams, Mr. President, was saying, without any compunction or any shame of face, that the National Debt was not too high, and that the country could carry a lot more, and as a result this lot more went from $241 million up to $1 billion plus.

When the honourable Member talks about this Government giving back to the rich people and taking away from the poor, what the honourable Member seems to have forgotten – if what he was saying is true, and it is not true – is that the rich people in Barbados are Barbadians, too, and they helped to build Barbados.

The second point that he must not overlook is that his Government took so much money out of the economy by way of taxation, Income tax and other taxes, that money became tight. Money was not circulating, Mr. President. You are a Barbadian and you would know. I live here and I know. I did not go anywhere, I am not a foreigner. Even when I go away, I still live in Barbados!

They took the Transport Levy, this tax and the next, and do not let us forget the Consumption Tax, which meant that even the man in the street who was not working for anything still had to pay Consumption Tax every time he ate. Wreaths were taxed. You know the wreaths that you carry to a funeral? Well, those were taxed! You had to pay when you were living, and you paid more when you were dead under the Barbados Labour Party! All that the Barbados Labour Party did in their day was to impose taxes!

The honourable member has the temerity to say that when the Democratic Labour Party came in we should not change things for the sake of changing them.

He forgets that the North Point was sold – as a matter of fact, was given away for less than three Mercedes Benz!

The honourable member, as I said, has just awakened from sleeping. He said that the poor people of this country will have 18 months to wait before they can get the benefit of the taxation. I said last week, and I will say it again, that what is eating them out – and I warn them if they continue in this way, all they will succeed in doing is causing the three blind mice in the Other Place to lose their seats, too, because the people are finished with them, and it is time they understand this – is that it was not the back raise that caused the people to vote the way they voted. The people were completely tired and fed up with the way in which you were handling their affairs.

I mentioned on the floor of this Chamber that the honourable member jumps up as soon as any Bill or Resolution is introduced, not because he so much wants to make a contribution, but to look to see what comes out in the press the next day. The reporters who come into this Chamber or the editors do not seem to be very intelligent people, so whatever Senator Tull or Senator Miller says is big headline news, but when you read underneath, it is something different. A splash in the paper, sensationalism, that is all it is, so he jumps up to get in his little thing.
12.15 p.m.

Aside

SENATOR N. W. BOXILL: Do not tell me about I want piece, because, as I said, I played football in this country, left here and joined the Navy, was one of the first black people in the Navy, and I played football in Trinidad. I made my name ever since, so I am not looking to make my name in any paper about here. I could not care less what they write about me.

It is unfair for the Honourable Member, who I know has more sense than he displays at times in here – he is no fool, nobody would think that Senator Tull is a fool – to say some of the things he says. What I would say about Senator Tull is that sometimes he tries to be wicked. I am not saying he is wicked, he tries to be.

He talked about social democratic principles. The Barbados Labour Party, Mr. President – and you were a member of it, also the Leader of the House – thank God I was never a member of it – is not only a conservative party, but it is an ultra-conservative party. They were socialists when it suited their purpose but they were ultra conservative when it suited another purpose. Can they be all this socialist and got Reagan to come down here to hog-nog with socialists? Is Reagan going to come down here to hog-nog with socialists? If you mention the word with an "s" to Reagan he gets goose pimples.

The Senator is repeating exactly what he heard or read was repeated down in the Other Chamber by the expert they have on finance. If Owen Arthur is such a great expert on finance, how come Tom never made him Minister of Finance? I am going to go further. Tom died and Bree took over, you know Bree never made him Minister of anything either! So how could he be this great expert? It could only be that they were afraid that Owen Arthur would do the same thing to Barbados that he did to Jamaica, misguide it, that is all! He knows that what I am saying is true, because he could not be all this great financial wizard and never got a Ministry of Finance. You would notice that after Tom died as Minister of Finance, Bree took over as Minister of Finance and Owen Arthur was still there. They did not give Owen Arthur any play at all in the Ministry of Finance! But you come in here to quote figures from Owen Arthur, thinking that you are going to get away with it. I have warned you before that any time you get up in here and say things that I know happen to be untrue, I am going to deal with you.

He mentioned that the DLP is a conservative party. I remember, Mr. President, that in 1966, when we were trying to carry this country into independence, there was a group called the Under Forties which went all over this country preaching why this country should not be independent, and they were also saying how Errol Barrow would be a dictator. Mr. Barrow ran this country for 15 year, and will run it for another 15 if God gives him strength and health, and up to now no one can say that he has done anything to encourage anybody to believe that he is dictatorial. He is a leader, and all leaders have to be strong. But they would know better than I do, because he would know that on the floor of the House the same Tom Adams told Henry Forde, when they were dealing with the Pele issue, "When I bring in the investigation and you do not like it, you could leave." But Henry did not leave, Henry is a lawyer of repute. So when you are talking about dictators, there is where you had the dictators.

If Barrow was a dictator, or the DLP was this conservative as you are trying to say, how come we gave free secondary education for the children, which you never did? We gave free school meals. How come we built the Community College when you – when I say "you", I am using the word "you" in the plural sense; I do not mean you as an individual, because I know you do not know English too well – you of the Barbados Labour Party, paid Burton Hinds to filibuster the erection of the Community College. He spent almost three days repeating himself, until I knocked the statue out of the island, Mr. President, because at the time I was in the thing, and I told the Chairman that we are going to ask that the question be put, and he started fumbling and the question was put, if not there would never be a Community College. We lived long enough to see the same Community College that

they were fighting against produce, I think, four or five Barbados Scholars in the last Barbados scholarships awards. That is the kind of thing about which the honourable member has the temerity to come in here and call me and the Members of the Democratic Labour Party conservative? What do I have to conserve? I do not even have a pair of old boots!

When he talks about conservatism, he would know that Tom Adams used to come in the House in an old grey pants, a black jacket and a pair of hush puppies, and as soon as he became Prime Minister of this country, nobody was like Tom – three piece suit, driving in air-conditioned car! Do you want more conservatism than that? Police driven! Have you ever seen Errol Barrow, Cameron Tudor or myself driving with a police? Any time you see me driving with a police, you would have to come and beg for me, because he must have held me! This is the sort of conservatism we were getting from the Barbados Labour Party. They went away from the people.

As I said before, the other members joined it. I never was a member of the Barbados Labour Party. I had my reasons, and I had very strong and good reasons for not being a member. I am not vex with anybody for joining it. As I told the honourable member on the outside of the Chamber, whether I liked it or not, I am not unmindful of the fact that the Barbados Labour Party, under the leadership of Sir Grantley Adams, formed such people as Errol Barrow, Cameron Tudor, "Sleepy" Smith, Lorenzo Williams, you, Mr. President, and a lot more young people into what became the nucleus of the Democratic Labour Party. But do not come telling me that we are conservatives, because you know within yourself that, despite the forming of the Barbados Labour Party, Sir Grantley was a conservative, and we all know that Tom was an ultra-conservative and that the members of the Barbados Labour Party were ultra-conservatives.

He keeps harping that the Prime Minister of the day said – it must be the night of elections in his exuberance, because he probably thought we had more money in the kitty than we really have – that he is not going into foreign borrowing. We have found out that it is a different kettle of fish. Let the honourable member remember this: On May 7, 1981 – go and look up the papers – his Prime Minister then said that offshore banking was coming into Barbados by the end of May, 1981 and that they were going to employ between 3 000 to 4 000 people. Do you want a bigger hoax than that that was perpetrated on this society? When you are talking about hoax, you are the king of hoax! Do not come to me with that kind of statement that we are playing any hoax on anybody.

It is true that sometimes in your exuberance, Mr. President, you make statements that, on reflection, you say things did not work out. How were we to know? I am sure that I knew before this present Government that is in power now that you went – and I have said this already, this is the third time – on the European market and borrowed $60 million with a four year moratorium. That means that for four years you do not have to pay back anything, but you have to pay back the interest on the $60 million in the next four years at 22½ per cent. How come these things do not worry you all? How come you started a road that was unnecessary, as far as I am concerned, and I believe it is unnecessary as far as most Barbadians are concerned. You borrowed $90 million to build a highway to get to Grantley Adams International Airport!

I went to Grantley Adams International Airport yesterday, and I went up there and got back safely, I did not get into any accident. All we needed to do, Mr. President, was widen the road going up to Balls. But you want to make a four-lane highway going up there, and you have gone all the way down on the western part of the island to disturb a lot of old people who were born there and who raised their children in their houses which now have to be removed. Barbados is not expanding, it is contracting, but you inconvenience these people to build this big $90 million road to get to the airport! What is the magic about getting to the airport in any record time? If you get up there and the plane is late, you still have to wait, so you may as well take your time and go up there.

What makes it worse, we now have to pay back that, and my children have to pay it back. But do you know that my children or I cannot walk on this super highway because you cannot walk on a highway?

They went and built the "Spring Garden die way." Do you notice that every time you try to walk on it, you are dead? They did not have the foresight, nor the common sense, to build a fly-over that pedestrians could walk over, or a tunnel underneath that people could walk under. Oh, there was so much exuberance to get through with this four-lane highway. And what has it done? All the "Spring Garden die way" can do is to get you out of town in about five minutes quicker, at the risk of taking a life or losing your own.

When we first came in, I begged the Minister to see if there was any way we could get out of this $90 million highway. I asked him to pay out the contractors and save more money, because the only body who is going to benefit from this $90 million highway is the people who own the bulldozers, loaders and the lawyers, not the man on the street. They are not going to be using many workers on that, so you are not creating work for people in Barbados, you are creating work for people outside of Barbados. Where there is no vision the people must perish!
12.25 p.m.

Do not let the honourable member come in here and make these fancy, long statements because he wants

to get himself in the Press. I know an easier way to get in the Press than that. Go down there and shoplift and you will get in the Press easy. Do not come in here with that behaviour. But this is the sort of thing that we have to put up with every Tuesday or Wednesday when we come to this Chamber.

We explained to the honourable member, and the honourable member knows, that they put us in debt. We have to honour the debt, because this is what happens with succeeding Governments. Do you want us to say we are not paying because we did not borrow the money? What kind of country would we be? If we were to opt out of the $90 million, it would mean that we could not go back to any one of these lending agencies and get any money, because we would not be a reliable people, so you see why we have to come here and borrow money. It is nothing anybody likes to do, but the country has to be run.

Do not keep harping that we gave back this. This is what is eating out the honourable member. He said we gave back this amount of money to the capitalist. Well, he is a capitalist, because he got back some, too. I want him to understand, as I said earlier, that the capitalists of Barbados, whether you like them or not, are Barbadians. They are here to stay. They are not just going to leave because he does not like the fact that they got back some money.

I am sure that everybody benefitted as a result of the fiscal measures taken by the Minister of Finance. Do not tell me that only the capitalists benefitted. What kind of country do you want to run? Are you going to run a country where only the poor people are to benefit and not the rich? Everybody has got to share in the spoils of this country, because we are all Barbadians.

Do you realise what would happen if we were to start this sort of thing, that we do not have anything to do with the rich people and they are not going to have anything to do with us? They will say 'All right, we will have to take the money and go.' What is going to happen? What are you going to do? Pass legislation to stop them from carrying out the money? Why did you not pass it before when you carried your money down to Florida? That is what you should have done. But I would bet, Mr. President, that every one of the former Government Ministers – now mind you, listen to my English very carefully, Sir – I would risk to bet that almost every one of the former Government Ministers has an overseas bank account. This is your country, why do you have to run out there to bank money?

You would remember, Sir, that when they are talking about integrity, they came in on the pretense that the DLP Government was a corrupt Government. They brought Duffus down here to prove how corrupt we were, because they wanted to destroy the DLP once and for all. Do not think they brought Duffus down here, Mr. President, to give us any commendation of how nice we were. They went all out to destroy the DLP, and it is bad when you try to destroy the Opposition. But Duffus proved that there was nothing unusual or dishonest with the DLP Government.

He said that all roads led to the Prime Minister. But in the Barbados Labour Party there were not all roads, there were tracks, too. As I said last week, and I am going to repeat it again, there was not an appointment made under the Barbados Labour Party Government, from gardener up to the Governor-General, which was not approved by Tom Adams. I mentioned that a messenger was going on vacation and because Tom could not find a suitable man to replace him, the messenger went and came back from vacation before he sent for the replacement, so the replacement was there with the original man. I did not hear anything coming out of these people then. This is the sort of thing you had from them.

Asides.

SENATOR N. W. BOXILL: You did not say anything about it either.

Laughter.

SENATOR N. W. BOXILL: The Resolution belongs to us. It speaks for itself. What do you want us to do – glib the lilly? You got up and talked about borrowing money and I explained to you why we have to borrow, that it is to pay back the debt you put us in. It is just like if your children went out and got themselves involved in something. You would have to pay or let them get locked up. You went and put us in this unnecessary debt, because I am saying that we could have quite easily handled the $241 million that you came in and found. But you went and pushed it up.

You talked about the per capita income jumped from this to that. I do not know how true that is, because I have not read that yet, but you are forgetting what it took to run a home then. Under you, it could not run a home, because you put the cost of living too high, out of the reach of the man on the street. You have not contributed anything.

Do not tell us that because you did something, we in the DLP are going to change it for the sake of changing. We gave free secondary education, Mr. President, which everybody knows, reaching from the primary school up to the tertiary level. They wanted to say they did something, too. What did they do? They said they were going to give free school uniforms to the children. The children have not got them yet! The honourable member, who, unfortunately for this country, was placed in the position of Minister of Education, wanted to do something, too. What did he do? He put the girls with the

boys! But do you know that he did not put any latrines for the girls, so the girls had to go and use urinals?

Asides.

SENATOR N. W. BOXILL: If you want me to make a political speech, I will make a political speech. Whenever you get up and make a political speech, I will teach you. Do not come in here with that kind of thing.

We have not changed anything. I was surprised and amazed that you all did not try to close down the Community College, because you ranted and raged so much about it in the days when we brought it up. It was said on the floor of the House, and I am going to repeat it now, that the Community College came about because certain headmasters who had Sixth Forms were complaining that, as a result of outsiders coming into their Sixth Forms, there was not enough room for their children to get into the Sixth Form schools. It looks now as if we are going to have to build another Community College. But, thank God, we would not have Burton Hinds to filibuster it as we did the last time.

This money, as far as I can see, will be borrowed here in Barbados. Is that right?

Asides.

SENATOR N. W. BOXILL: Well, no that is pounds, but they got our equivalent.

Asides.

SENATOR N. W. BOXILL: They say it is foreign borrowing. Do you see what you have gone and put us in now? We have to go back outside of this country to borrow money as a result of you mishandling of the finances of this country! If you had handled the finances of this country in a much more astute way, we would never have found ourselves in this situation that we have found ourselves in today, because we were budgeting, and doing it successfully, but you had other ideas.

One of the reasons why the country has found itself in the morass that we, the DLP, have come and found it in is because, in their exuberance, they had to give all the minions motor cars to drive about. It used to hurt my heart when I went out to the beach in the morning to see fellows with one of the ML cars or MP cars on the beach. All of this calls for money – the wear and tear on the car, the gasoline, the tires. If the car gets into an accident, who is going to pay for it? That was our expense. All of this is what caused the country to be in the position that it was in.

The honourable member mentioned something here earlier, and I want to remind him of this. You cannot tell us how to run a country. Remember we were running the country before you. We taught you how to run the country. We ran this country for 15 years and ran it well, whether you like it or not. It is true that it is the people's democratic right if they want a change to have a change, but they realised that they made a mistake, from since 1981, and if things did not work a certain way in 1981, they would have gone through the eddoes long, because five years was quite enough of the Barbados Labour Party and their cohorts.

12.35 p.m.

Let me also remind the honourable member that when we come before this Chamber with a Resolution, whether it be money or otherwise, we are *au fait* with the facts. As the proposer of the Resolution had said, he did not think that it would call for all this debate, and it only called for this debate because I had to answer what the honourable member had said and to put the record straight for his benefit. Of course, I notice that he does not sleep now, nor does he go out when the debates are on, but apparently during his regime he never used to listen to the debates, because they were probably of such a low standard that he did not think it was necessary to stay, so that is why he did not know about the statement that his Prime Minister made about women, and that is why he did not know about a lot of other things that I had to draw to his attention.

Thank you, Mr. President.

SENATOR A. MORRISON: Mr. President, I should just like to rise in support of this Resolution to give the authority to borrow the sum of £30 million sterling from Barclays Bank. I agree with the reasons, to help finance certain capital works programmes already started before May 28, 1986 and other capital programmes which will be started in 1987 – 88 fiscal year, and to assist in meeting foreign debt repayments due in fiscal year 1987 – 88.

As far as the foreign debt service is concerned, the honourable Senator Tull knows that at the begining of every calendar year in this country, the Central Bank usually gives the Government the amount of money which it will have to pay back to service debt during any one calendar year, from January to December. At the last meeting of this Chamber, I read out a set of figures dealing with debt servicing up to the year 1990. What we have been confronted with, Sir, is that in the years 1982 – 1985 the then Government borrowed large sums of money from foreign commercial banks, and, as I have already said, our future has been very soundly mortgaged and we have got to repay those monies.

We have drawn down $105.1 million and we have paid out $176 million in foreign debt servicing for 1986. At least the honourable member should give us some credit, because we have only drawn down $105 million

but we have paid out $176 million. What he should be asking us is where we got the $71 million from to pay off that $176 million. At least he could give us some credit for good housekeeping. This is a fact. We have been able just only to draw down $105.1 million but we have paid out $176 million.

For this year, we already know what we have to pay out in debt service, which might be in the region of over $212 million.

Aside.

SENATOR A. MORRISON: It is all right to say that we are making fun, but when I read out those figures last time, that was a true indication of what is happening in this country. There is no fun in these kinds of figures. We are very heavily mortgaged, this is no time for making fun, and we have got to get our Development Plan going this year, although we have been committed to carrying on the Development Plan which they started. As I said before, we would be very foolish and very petty as not to carry on programmes started by the previous Government. We have to carry on some programmes and we had to put some on hold, but we have to look to our own programmes, too, because we have our own idea of how we should go about our development programme to suit our policies in our manifesto.

We have inherited programmes from them which we intend to carry on, so it is no big thing saying that we are talking about paying back your debt. What the honourable member might want us to say is that we are committed to borrowing. We are not committed to borrowing in the sense that the Barbados Labour Party was committed to borrowing in the previous ten years and built up a whole set of debt servicing on this country today, and have us like a son who inherits a fortune from his father to find that the fortune has already been mortgaged and we have to pay off that mortgage. That will stand by us as long as we are in power, and no idle talk about our borrowing is going to suffice the fact that we have to pay off those mortgage commitments. So we decided that we would keep paying those mortgage repayments and we will reduce the pressure on the Central Bank's foreign reserves, because we cannot take up local money and pay off foreign debt. Nobody expects us to do that kind of foolishness, so for that very reason we must borrow money on the foreign market to help pay off those debts until we build up some kind of reserves.

The fourth reason is to take advantage of the favourable market conditions to build up a reserve to meet future repayments. I think the Government is pursuing a very sound policy by getting the money now you can get it and putting it in reserve.

On the other hand, I can say that since we have got into power, the Government has not borrowed one cent by way of debt to pay for current expenditure. That has not happened yet. I do not know if it will happen for the future, but it has not happened yet, so I would like to assure the honourable Senator that we have not borrowed any money yet by way of debt to pay for our current expenditure, except by Treasury Bills.

We intend, as we go along, to pursue the policies which we enunciated in our manifesto. We have given back money to the private sector. We make no apology for the fact that we have given tax concessions. We have reduced the Corporation Tax. Anybody who was in Barbados between 1984 and 1986 would remember that every day we would have a company going into receivership. That was like how we get house fires nowadays. People were being put out of work, numerous companies went into receivership and we felt that when we got into power there would not be many business people left in this country, so we make no apology for the fact that we gave back 10% off the Corporation Tax, because we had to revive the business in this country.

Many businesses went into receivership and the whole situation was looking very grim when we took up this Government. The people had been heavily taxed in the last ten years by the previous Administration. They were taxed and over taxed. People should be given back some money in order to feel free again, and that is what we have done to help this country. So there is no problem with the fact that we have given away money and now we have to get it back somewhere.

These policies are bound to work, and I support the Minister of Finance up to this point in that he has been able to keep this country on an even keel. We intend to look to the private sector to pick up the slack at some time, by giving them certain incentives so that they will get the economy going again, and we make no apology for the concessions on Income Tax or Corporation Tax. 12.45 p.m.

Mr. President, I support this Resolution.

SENATOR D. A. COMISSIONG: Mr. President, I rise with a certain measure of despondency to respond to the contribution made by Senator Tull. It is the same old story. Every sitting the two Opposition Senators seem to come in here and feel that all they need do is to subject us to a meaningless harangue.

Senator Tull has a way of describing me as a neophyte. I have no quarrel with that, I have only had eight or nine months of parliamentary experience. But I find it astounding that the contribution of a person like him, a person in his middle age with something like ten years of ministerial experience under his belt, with decades of parliamentary experience, are at that level. I would

associate his contributions to that of a neophyte. I find it astounding that after all these years his countributions amount to that level.

It is not really good enough for Senator Tull to merely come in here and spout off wild allegations without even trying to substantiate them, to bring some figures, some facts, some documentation. Senator Miller gave us the same kind of contribution last week, a meaningless harangue, just wild allegations, and the disturbing thing about it is that they get Press coverage. He makes absolutely no attempt to research the points that he wants to make, nor to document them. They just come in here and spout out these wild allegations, and then they are published in the Press. I accept the criticism that I am a neophyte. I think, perhaps that type of performance would be expected of me, but it is not expected of you, Senator Tull, not a man with ten years ministerial experience.

Mr. President, the Minister of Finance, in the Addendum to the Resolution, sets out the reasons for the foreign borrowing. He gives four basic reasons, and they are all embracing reasons, omnibus reasons, to use Senator Tull's phrase, to help finance capital works programmes already started before May 28 last year, to assist in meeting foreign debt repayment due in fiscal year 1987–88, to reduce the pressure on foreign exchange reserves and the liquidity of the Central Bank which will result from substantial debt repayment over the next four years and to take advantage of favourable market conditions to built up a reserve to meet future repayments.

I do not think anybody can have quarrels with these four reasons. They are all reasonable and logical, and we know, from our experience, that there is a large degree of truth in the reasons given.

If Senator Tull wants to say that the Minister of Finance should have been more specific, and more information was needed, I have no quarrel with that. I think the people of Barbados should be as fully informed about Government's policies as possible, and if the plea is that the public of Barbados deserves more information on the specific items that the money would be used for, I have no quarrel with that. But to go on to say that he has a suspicion that the foreign borrowing is being used to underwrite Government's current expenditure, then to move during the course of his speech from the position about mere suspicion to a virtual absolute certainty, and then to go on to castigate the Government for a policy of borrowing to finance current expenditure is not good enough, because he has brought nothing to substantiate his suspicion. He begins by saying it is a suspicion, he introduces no facts, no figures, no documentation, and then in the course of his speech the suspicion becomes a certainty and then that certainty is used to castigate the Government. It is simply not good enough. If the original point is that you are asking the Minister of Finance for more information, I can take that, that is reasonable. But then when he becomes unreasonable with these allegations and castigates the Government out-of-hand, to my mind, better should be expected of the Senator.

The point is, Mr. President, we know, as Senator Morrison has so well pointed out, that Barbados is faced with a burgeoning problem of debt repayments and it is going to get worse as we go on to the end of this decade. It began as far back as 1985. I have here the Central Bank Annual Report for 1985 which makes it clear the type of problem that we had begun to fact in 1985, and that we would face in the years leading up to 1990, and I just want to quote two short extracts from that 1985 Report:

> "Interest payments on foreign loans in 1985 were about one and one and a half times more than in the previous year with public utilities accounting for about 40% of the total."

> "There was little new private direct investment in 1985, but both the private and public sectors had to make heavy debt repayments. Net private foreign inflows were severely depressed. In addition, short term trade financing was limited as foreign trade fell off. To strengthen foreign exchange reserves and to provide funds to meet amortisation payments, Government borrowed $88.6 million at the medium term."

That was in 1985 and you can see the trend beginning to start there. In the Central Bank Economic Review of December 1986, you see again a continuation of the trend and you see how it is building:

> "Furthermore, there was a net outflow of foreign capital during the period."

This was the first nine months in 1986.

> "Amortisation of foreign debt by private firms and Government totalling $69.1 million for the 9 months compared with $48.2 million in 1985, and this offset what little private capital inflows there were."

The point is that we had a jump from $48.2 million to $69.1 million for the same period, so the trend has been building since 1985.

Senator Morrison makes the point that this year we face foreign debt repayments in the vicinity of $200 million and, indeed, the Governor of the Central Bank, I believe it was in 1985, made the point over and over again that we are facing a bunching of foreign debt repayments right up to the end of the decade.

Senator Prescod has just shown me another extract from the said Economic Report of the Central Bank:

> "Net capital inflows were severely reduced by the high amortisation payments on private and Government loans and consequently foreign exchange reserves fell."

The point is made over and over again – it is made in the Central Bank's Economic Reviews and the Reports made by the Governor of the Central Bank, it is made in this Chamber by Senator Morrison and it is made by the Minister of Finance – that we face a bunching of foreign debt repayments, and they stem from that massive increase in the National Debt of Barbados from $248 million in 1976 to close to one and a half billion dollars by the time the Barbados Labour Party left office in 1986. It is as simple as that, and I find it so unbecoming, so very strange, that a representative of the political party that increased the National Debt by that phenomenal amount in that ten-year period finds himself able to get up in this Chamber and to warn this Government about the dangers of foreign borrowing. I find it strange, Mr. President, but I suppose strange things happen in politics.
12.55 p.m.

Mr. President, this is a problem that this Government will have to face, and no doubt during the remaining four years of this session you will see the Minister of Finance coming before the Chamber with Resolutions of this nature to authorise foreign borrowing. It is inevitable, we cannot get away from it, so I have no difficulty in supporting the Resolution. I understand the reasons for the borrowing.

I want to end by re-emphasising the point I made first. I can take Senator Tull's original point. I think he is entitled to come here and say he wants more information. But he cannot deny the fact that this Government is faced with a massive problem of debt repayments that is not of our own creation, and I think the Senator is doing a lot of disservice to himself and to his intelligence if he tries to make this Chamber think otherwise.

With those few remarks, Mr. President, I support this Resolution.

SENATOR J. S. GODDARD: Mr. President, I will be very brief. I recognize that the Government needs the funds, and, obviously, there is some urgency, because this meeting has been called specially for today, March 31, because normally we meet on Wednesdays.

I support Senator Tull in asking if the Minister could give us some indication as to how the $30 million will be used – there are four reasons given here why these funds are required – and secondly, Sir, I wonder if the Minister could let us know the term of the loan and the rate of interest.

Thank you, very much.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, most of the other questions have been answered, and I will give as quick and as precise an answer as I can to the last speaker.

My understanding, from the information supplied by the Ministry of Finance, is that of the $220 million which the Central Bank has identified as being required to meet foreign financing for 1987–88, project funds will finance $76.8 million, the undrawn portion of the Natwest loan will finance $30 million and other foreign financing required would amount, therefore, to about $112 million. This is all in terms of the capital programme of Government for 1987–88. It is therefore not possible for me to give you specifically the details of the $90 million, but all of it, along with the Natwest funds, is targeted to meet the capital expenditure that is not being met from project funds of the IDB or the World Bank. That is the way it is being financed.

In respect of the terms of the loan, its maturity is seven years, with four years grace period. The interest rate is 1 1/8 per cent over LIBOR.

The idea is to be able to respond by April 4, hence the urgency. What the Minister of Finance wishes to do is to identify the funds for his programme up front rather than to wait three or four months down the road to be scrambling, plus the fact that this is an instance in which three different banks in the London market approached the Government of Barbados with offers. The other thing is that because one of the banks has business activity in Barbados and is celebrating its 150th anniversary in these parts, it was felt that they should seek to do business with them.

The question that the Senate concur in the Resolution was put to the Senate and agreed to.

SUSPENSION OF SITTING

SENATOR THE HON. SIR JAMES TUDOR: Mr. President, I should like to get a clear indication from Members of the Senate in respect of the next item. If they think that there is not going to be a lot of talk on it, I would suggest that we proceed to it and break one time and done, as they say. If, however, honourable Senators feel that there are considerations which they would like to raise, well say so, in which case we will take the break and come back. This is a Resolution which seeks to correct some figures, I believe, in a Resolution which we have already passed in respect of the salaries revision, to put in some corrected figures for the key scale workers. If you wish us to proceed with it and rise one time, as they say, may we do this?

Asides.

SENATOR THE HON. SIR JAMES TUDOR: All right, we will break.

I beg to move that this sitting be suspended for one hour.

The question was put to the Senate and agreed to, and Mr. President suspended the sitting accordingly. 1.05 p.m.

ON RESUMPTION

Mr. PRESIDENT: The Senate is resumed.

AMENDMENT TO RESOLUTION 20, 1987

Order No. 2 was called – To move the passing of a Resolution to approve the replacement of the rates of pay applicable to Categories 2 and 3 in the Schedule to Resolution 20 of 1987

SENATOR THE HON. SIR JAMES TUDOR: Sir, I am asking leave of the Honourable Senator Lewis, Minister of the Public Service, to take charge of this item.

SENATOR THE HON L. V. H. LEWIS: Mr. President, I think it is in order for us to make an apology to the Senate and to point out that when earlier in this Session a Resolution approving rates of pay applicable to key scale rates were approved, that Resolution contained two errors.

There was an oversight in the appropriate Ministry, and when the calculations were done, they were based not on revised rates approved in February 1986 for the previous years, but instead they were based on the rates applicable before February 1986, hence the error which is now being corrected.

The effect of this Bill allows the persons in categories 2 and 3 in the key scales to receive correct pay with effect from April 1, that is the urgency of this matter, Sir. It is a correction of the previous Resolution.

I beg to move that the Resolution do now pass.

The question that this Resolution do now pass was put to the Senate and agreed to.

ADJOURNMENT

SENATOR THE HON. SIR JAMES TUDOR: Sir, I think that concludes our business for today's sitting. I understand that this Chamber will be in use for three days next week by the Other Place for the purposes of the Budget session, so we are not likely to be meeting until week after next. I would like to suggest, if I may, that we do the debate on Foreign Affairs when next we meet, week after next, and I would like to know whether Wednesday, week after next – I cannot remember what date it is, but whatever it is.....

Mr. PRESIDENT: April 15.

SENATOR THE HON. SIR JAMES TUDOR: April 15,..... is convenient to the Senate. I would like to suggest that we meet on that date at 11.00 o'clock in the morning.

I do not know how far and wide the debate will range, but I would imagine that we could spend the whole day on it, if necessary, so that all Senators who wish to make a contribution will be encouraged to do so. That will be what we will be doing, unless, of course, something urgent comes from the Other Place, and I cannot anticipate any such thing coming from them so soon after the Budget.

If it is allright and agreeable, I beg to move that the Senate do now adjourn until Wednesday, April 15, 1987 at 11.00 o'clock in the morning.

The question that the Senate adjourn until Wednesday, April 15, 1987 was put to the Senate and agreed to, and MR. PRESIDENT adjourned the Senate accordingly.
2.10 p.m.

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