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# THE SENATE DEBATES

## (OFFICIAL REPORT)

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FIRST SESSION 1991 - 96

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### THE SENATE

*Friday, September 20, 1991*

The Senate met in the Senate Chamber, Parliament Buildings, on Friday, September 20, 1991, at 10.20 a.m.

### PRESENT

His Honour Senator M. deL. JORDAN, (Deputy President);

Senator the Honourable L. V. H. LEWIS (Minister of Agriculture, Food and Fisheries), (Leader of the Senate);

Senator A. MORRISON;

Senator Mrs. V. C. FRASER, B.S.S., J.P., M.C.F.A.;

Senator A. J. N. PHILLIPS;

Senator the Honourable Dr. C. D. CLARKE (Minister of Trade, Industry and Commerce);

Senator Dr. F. W. ALLEYNE;

Senator Miss Y. V. WALKES;

Senator Mrs. M. BARKER-WELCH;

Senator Dr. E. A. SIMMONS;

Senator J. J. PAYNE;

Senator Mrs. A. STRAUGHN, G.C.M.;

Senator Mrs. M. WALCOTT;

Senator C. O. WILLIAMS;

Senator W. LeR. INNISS;

Senator J. A. F. COLE;

Senator T. E. BARKER;

Senator Miss M. A. MOTTLEY.

*Prayers were led by Fr. Errington Massiah.*

Mr. ACTING PRESIDENT: The Senate is in session.

### PRESENTATION OF PAPERS

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I am commanded to lay the following documents:

The National Insurance and Social Security (Collection of Contributions) (Amendment) Regulations, 1991;

The Customs Tariff (Amendment) (No. 6) Order, 1991;

The Land Tax (Rate of Tax) (Amendment) Order, 1991;

Convention between Barbados and the Kingdom of Norway;

The Customs Tariff (Amendment) (No. 7) Order, 1991;

The Rate of Interest (Amendment) Order, 1991;

The Rate of Interest (Section 4 Exemption) Order, 1991;

The Duties, Taxes and Other Payments (Exemption) (No. 6) Order, 1991; and

The Insurance (Forms and Fees) (Amendment) Regulations, 1991.

### SUSPENSION OF STANDING ORDER

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I beg to move the suspension of Standing Order 45(2) to enable us to deal with the five items on today's Order Paper.

*The question was put to the Senate and agreed to.*

#### APPOINTMENT OF ACTING DEPUTY PRESIDENT

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I beg to move that for today's sitting we appoint Senator Joseph Payne to act as Deputy President.

*The question was put to the Senate and agreed to.*

#### FIRST READINGS OF BILLS

SENATOR THE HON. L. V. H. LEWIS: I beg to move the First Reading of the following Bills:

The Public Service Reduction of Emoluments Bill, 1991;

The Employment Levy (Amendment) Bill, 1991;

The Consumption Tax (Amendment) (No. 2) Bill, 1991;

The Stamp Duty (Amendment) Bill, 1991; and

The Stabilisation Tax (Amendment) Bill, 1991.

*The question was put to the Senate and agreed to.*

#### PUBLIC BUSINESS

##### ORDER NO. 1 – THE PUBLIC SERVICE REDUCTION OF EMOLUMENTS BILL, 1991

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, during the past month the citizens of this fair country have been apprised of the very serious economic circumstances which face this country. During the past three days there has been much debate inside the House of Assembly and outside of Parliament on what various persons consider to be the consequences emanating from the introduction by the Minister of Finance of this Public Service Reduction of Emoluments Bill and other accompanying legislation.

I do not believe that anybody can deny that the Barbados economy is experiencing major economic problems, resulting in disequilibrium both locally and externally. Two basic problems stem from the inability of the Government in more recent times, and indeed successive Governments, to control the deficit on current account, and furthermore, at the present time the problems resulting with the foreign exchange, some of which have been fuelled by the champagne taste of citizens of Barbados.

There is no need for me to recite in detail the fact that over the years deficit after deficit after deficit have contributed to the state of affairs in relation to the fact that the bill for providing public service in this country now exceeds our capacity to pay.

This bill for public service provision is made up, to a substantial extent, by the personal emoluments of public officers. It has a substantial contribution from the necessity to provide for charges of debt, servicing of debt and the repayment of those debts and it also has the other elements which include provision of services.

In this country where Barbados behaves towards its citizens and provides welfare services, free education up to tertiary level, the plethora of services in the health sector far surpassing those of any country in the Caribbean, and indeed some large developed countries, and to compound all of that, the other welfare services which are provided for persons who are beyond age 65, as well as for young people who are entering the school system, it is well known that this provision of welfare services helped to contribute to a situation where citizens who could better use the monies provided for them, misuse them. But that is not the purpose of what I wish to say today.

What I wish to say very plainly is that the present situation of today did not happen overnight, indeed it did not happen between 1986 and 1991, it has been a situation that has been developing over time and we have reached the stage where it can continue no longer. If it continues any longer, we will have to shut the country down, and whatever Government will be faced with this situation – whether the Democratic Labour Party, the Opposition Barbados Labour Party – either of them would have to take strong measures in order to turn around the existing situation with which we are faced.

We need to recognise that in small economies the shocks of world recession are felt even harder than in larger countries, yet we have honourable citizens in this country who seem to suggest that Barbados, an island, is a world in itself and does not respond and it cannot be affected by the problems which are quite evident on the world scene. Indeed, in North America, over the last few days it has been noted that there have been in some cities in the United States substantial layoffs because of the inability of those cities to balance their budgets.

One of the contributory factors to our existing state of affairs is the failure of our major foreign exchange earning sectors which have pushed us into extensive borrowing upon borrowing year after year. Again, I do not consider it wise to cite in detail the build up of this indebtedness over the years. Suffice it to say that over time we have made other mistakes. When in the period leading up to 1976 the Minister of Finance of this country sought to respond to the possible effects of a deficit budget by imposing a sales tax

in this country, it became an election issue and immediately after the elections of 1976 it is well known that the sales tax was removed. This was one of the underminings of the efforts to control this deficit situation. It is true that a consumption tax was imposed and that opened the way for consumption tax after consumption tax and expanded consumption taxes over the years.

10.30 a.m.

I have been in the business of public finance, actively, for a period of almost 30 years. I have observed this decline and I am speaking what I know is true. The agencies of Government that have responsibility for the public finances of this country cannot escape responsibility for the existing state of affairs. I am not here to point fingers at anybody but what I would also like to ensure is, that it is clearly understood that one or two events have helped to fuel this existing situation and I will mention two of them.

One of them was the inability of the appropriate governmental agency to so manage Barbados' participation in the Caribbean Multilateral Clearing Facility that the country was told, suddenly, that Barbados would not, in the short term – and who knows if in the long term – be able to get the funds which properly belong to this country from the Multilateral Clearing Facility because of its collapse. I am of the opinion that the demise and the collapse of that Facility ought to have been foreseen by persons who were responsible for the management of our involvement in it. That was one aspect of the undermining of the present foreign exchange situation.

The second one, that I am certain, and I mention this, and it has probably not been mentioned anywhere else – persons probably sought to shy away from mentioning it. I feel no guilt, whatever, to say that when a decision was taken to permit the construction of a Central Bank costing between \$40 million and \$50 million and it was discovered that that building would cost \$100 million approximately, that was another serious and severe undermining, not only of the revenues of this country, but the undermining of the foreign exchange position. Persons who do not understand the fact that up to the time when that construction took place the Central Bank was a contributor to the revenues of this country.

Having raised substantial foreign exchange loans in order to complete that construction we were faced with the repayment of those loans. We were faced with the reduction of the surpluses of the Central Bank which formed some small portion of revenues in this country. That these signals were not recognised is a matter, obviously for regret. We have gone right through the years and we are at the stage where we are faced with a situation; either we let the country go the way of some others in the Caribbean or we institute the measures which are absolutely necessary to turn around the economy.

Recognising these difficulties the Minister of Finance and the Prime Minister has consulted with the social partners in this country. There have been extensive consultations with the trade unions and with the manufacturing sector, the agricultural sector and the Chamber of Commerce representatives. Arising and resulting out of all of those consultations a decision was taken on the recommendation of those partners that there would be an action team established which would respond to urgent need in any matter relating to the manufacturing, or agricultural or tourism or trading sectors in order to cut some of the red tape with which decisions in the public service are faced.

I believe that this situation provides a grand opportunity for the Minister responsible for Finance to institute measures which will ensure that the good manufacturers are allowed to survive and the ones who misuse their opportunities can be weeded out. It probably is a blessing in disguise that we are faced with the situation because the country will now have to discipline itself. This small country has suffered for too long from the indiscipline of persons in all sectors of activity within the country. Indeed in the public service I am certain that given the opportunity and possibilities of productivity from public officers that the Minister responsible for Establishments could quite easily cut out, without any damage to the work that is to be done and the public service could easily be reduced by some 20 per cent. To do this would be described as draconian and many other things. Rather than bite that sort of bullet the Minister responsible for Establishments after consultation with the social partners seeks a way by means of a voluntary reduction in pay from public officers in order to restrain the expenditure on current account and at the same time instructions have been given and the capital programmes of Ministries have been severely cut. The other recurrent expenditure items have been restrained and this is all done to ensure that the deficit of the country is brought within manageable proportions.

Further, in his efforts to ensure that the deficit is controlled it has been necessary to impose taxes in certain areas as well as to remove in certain areas, certain concessions which would have been granted to the agricultural sectors. My clear understanding is that the Minister intends, having removed these restrictions to entertain and favourably consider all the agencies which qualify for export facilities for them by order to be granted permission to obtain the concessions and certainly in the case of the agricultural sector we will leave no stone unturned to ensure that the agencies which are operating in the interests of increasing the export thrust of this country, that they are provided with the necessary opportunities to achieve that export thrust.

The action team that I referred to earlier is one of the mechanisms which my understanding is, will be used because it is the Ministries of Trade, Agriculture and

Tourism that are chiefly involved in this action team activity and it is the manufacturers association, the hotel, the Ministry relating to tourism, the Agricultural Society, the Sugar Industry and others who have been taking part in the discussions which have led up to this decision to have an action team.

Mr. Acting President, I am firmly of the view that whereas we have serious difficulties and serious constraints upon the people of this country resulting from the very necessary measures which passed last night in the House of Assembly this Senate is called upon to support those measures in order to bring some sort of stability into the life and activity of this country.

I do not believe it is necessary for me to go in any detail into the provisions in this Bill which provides for the reduction of emoluments of the public officers and other employees in the Public Service, but I would like to mention in passing that there might be alternatives. One of the alternatives nobody in this country wants because we are aware of the effects of that alternative on the economies of Trinidad and Tobago, of Guyana and Jamaica.

10.40 a.m.

A second ultimatum has to do with a carving up of the Public Service. I remember very well that almost 30 years ago I was warned by a very senior public servant. He said to me that he hoped that I would not live to see the day when there was retrenchment in the Public Service. He himself had been one of the victims of retrenchment in the Public Service of Guyana and fortunately he was able to get employment in the then Colonial Service. But what he

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So that those of us who would wish the wolf to come for whatever personal reasons had better beware that when the wolf comes the wolf does not know any one animal from another animal or one human from another human. We are all in it together. We all therefore have to put our shoulders to the wheel. We all have therefore, by reasonable means, to collaborate, cooperate, and consult with each other to see how we can pull our country out of the existing situation.

Mr. Acting President, with that somewhat brief introduction, I really do not consider that given the level of debate which has taken place in this country there is any need for me to say anymore in justification of this measure.

I beg to move that this Bill be read a second time.

SENATOR Mrs. M. WALCOTT: Mr. Acting President, forewarned is forearmed. Probably that phrase may be considered rather old-fashioned but its relevancy is just as apt today as it ever was. We are living in a push-button age but when the controls of any computer or high-tech machine are set in motion no sensible response comes forth unless that equipment has been properly and previously programmed. Proper programming is the key therefore in preparation for effective answers. This does not only apply to high-tech apparatus. It is the same with most equipment that we come into touch with in our daily lives. We need to prepare for any journey or any ploy which we are going to undertake.

This is my concern, Mr. Acting President. For months and months and some would say for years, we have been hearing of the uncertainty of the economy of this country and yet it is only at this late stage just before the due date that we get to hear the full repair programme to be set into position. Admittedly, we did get some hints along the way but these were not meant to be directions. They were more random tests. As a result, this course has created a confusion among the people of the country. Barbadians are noted for their potential to rally around in a concerted effort when times demand such. This was the attitude at first but as time went on and nothing happened there seemed to have been a weighing in their resolution.

I am sure Barbadians will still play their part in true and loyal spirit but there may be many difficulties and hardships. It is not going to be easy for families with one or maybe both breadwinners receiving pay cuts especially at this time when their children are going to new schools and maybe universities and Independence and Christmas following closely on that. There will be those too who have mortgages to meet and higher purchase commitments, insurances, and so on. They have had those plans in place for quite a time.

Perhaps the way could not have been different or easier and in any case it seems we had to face a stiff

challenge. But it will be worse now because there is no chance to prepare or adjust. I repeat we could have been better armed if we had been earlier warned. I feel, too, that these salary cuts need not have been across the board and the principle of higher levels taking the harder knocks could have been adopted. Other measures, too, could have been taken. Some of the Government-owned projects might have been privatised such as the hotels and the broadcasting station.

Mr. Acting President, I have checked the Estimates and I do not see any expected revenue from these ventures. I feel strongly, too, that the free education being provided at all levels is too extravagant an exercise for so small a country as this one. I am not suggesting that the full economic cost be required of each student but some contribution should be made toward schooling at each level, more in keeping with what it costs the Government and that includes the text books too. Of course, consideration will have to be given in special cases, but when children realize what their schooling costs they will appreciate that privilege all the more. The youth of this nation gets so much for so little that their sense of values has become distorted. But the knowledge that their parents are making a financial input into their education would hopefully place things in a better perspective and assist them in being more worthy leaders of the future.

My reservations therefore, Mr. Acting President, are that this programme should have been introduced at a much earlier date. The salary cuts could have been graded and other measures could have been introduced to lessen the burden on the lower income groups. However, I support the measure as an alternative to currency devaluation. Thank you.

SENATOR Mrs. A. STRAUGHN: Mr. Acting President, it is almost impossible to make a contribution to any one section of the package without simple reference to the whole package and I crave your indulgence if I digress at anytime to make a point on any other aspect.  
10.50 a.m.

As a general comment I should like to say that the problem with which we are now faced is a national problem, and I think that that has been expressed at all times and in all walks of society. We as Barbadians are a feeling people and we feel it very, very strongly. I think that at this time we have to be committed, creative and productive. Again, these are three words that have been bandied all along. At this time, Mr. Acting President, I do not think that our actions can be stifled by political cross talk or anything of that nature that does not really deal with the intensity of the problem. It strikes me as a case where power and competence are becoming disconnected, and we have to be extremely careful of that.

If we look at our country, Barbados is a country well known for its prudence, for its stability, for its fiscal integrity, and for all our history we have always been able to meet our financial obligations to the rest of the world. In my time I have never known of Barbados, with its strength, defaulting in any way on its debt.

Mr. Acting President, to refer to what Senator Margaret Walcott has stated, mental preparation is vital in a case like this. Our political institution is older than most, our political institution has a tradition, as far as I know, that is more substantial than most of the countries of the IMF directorates, and with the good faith that we have established over the years, and the good grounding that we have established over time, I feel that we could have earlier asked for a rescheduling of this debt. Our faith is so strong, our reputation is so good and our commitments have been so right and correct. As a people, Mr. Acting President, national consensus we could have got. I am very concerned about this albatross of debt with which we are now faced. I might not live to face it in full, but we have to consider our grandchildren and our great grandchildren when we are thinking in details like this.

Mr. Acting President, the presentation by our Minister has been good and there are certain things he has touched on. I consider the key one to be time – over time, the build up over time, not today, nor yesterday, but a build up over time. Have we been really looking sensibly at the best brains, the trained brains in our community – again I repeat – over time? No one person, no one Minister, no one Ministry can know everything that there is to know about the running of its particular affairs. I submit that there could be brains, and there are brains, that could be used in an advisory and a consultative capacity across the board in this country, right through, through proper selection, through proper analysis, to look into the affairs and the movements, and with this as an ongoing process in times of crisis, like the one with which we are faced, we would have no problem, or the problem would not be as big if we were drawing on this type of information and this type of build up over time, I repeat, over time.

In this situation I think we would have been able to nurture a discipline – we have been bandying this word around – of minds, a total discipline that people almost call peculiar to Barbados and Barbadians, because we have a built in resilience that we have proved for ourselves is hardly found in many other places all over the world. We are a people who, even in time of crisis, can sit down and laugh at ourselves and, like the phoenix, rise up out of our feathers again. To bring a simple example. I have seen a man on the Careenage discover, after somebody had pointed out to him, a mistake he had made, and I watched that man take his pocket handkerchief – you do not get them particularly now – spread it out on a rock. He knew he had made not just a mistake, Mr. Acting President, but a blunder, and he sat down and laughed, and laughed, and

laughed at himself and then rose up, again I repeat like a phoenix out of his ashes, and went and repaired his damage. That is the type of resilience that we Barbadians are made out of.

Mr. Acting President, I say we have to look forward. There is a lack of effective utilisation in some of our human resources and we have to find it. We have to learn to recruit and retain the right kind of expertise, be it in the scientific field, the professional field, the technical field, but even although we do not go to label them as that, they are there among us, like a kitchen cabinet, that we can draw on the information and on the resourcefulness that there is.

Mr. Acting President, I maintain that there should be more interaction and strong relationships between political executives and public personnel. We need to get measures to advance the causes of growth and development. A lot of it that we do is mere lip service. We have to do a lot, I submit, to correct and alleviate the high and pronounced cost of mismanagement – and this has been said in this Chamber on several occasions – and poor management, because we need to change the poor image that management in the public sector has given to the public.

Again referring to some of the remarks made by Senator Walcott, I should like to say that in the area of education we have to give great consideration to wastage. There is a lot of wastage in the textbook loan scheme.  
11.00 a.m.

There can be wastage found in the free lunches and again, I agree with Senator Walcott. We are not asking to cut it all out because we have a deep feeling. We are highly sensitive to the needs of our people. We were not in the generation of free education but I am glad that I was born when I was born, educated where and when I was educated because I have learned so much.

We have to consider whether our present institutions, the people within them are really learning and how much. We learned to be thrifty. Are they learning to be thrifty? Are we now suffering, Mr. Acting President, from creating, maintaining and supporting a nation of handouts? These are things we have to consider because there is wastage in equipment in our educational system because of poor maintenance programmes and bad handling. I may risk to say that there might be wastage in personnel and manpower. Where are we spending, what are we spending and are we using correctly what we are spending as human capital?

Mr. Acting President, in the area of education, we could look at mobilisation of resources. In the early 1980s I attended a meeting in the North where we started to talk about the mobilisation of resources. According to my knowledge, it was the first and last meeting of that nature.

It was a good meeting and there were good points. Some of the things were highly impracticable because of geographic reasons, but the basic things were good.

I think, Mr. Acting President, whatever we do, we have to look at the wastage in some of our public sectors. I think in the area of education we have to look at that wastage, for instance, in many cases the maintenance of expensive equipment. Sometimes there is not even any place to house some of the expensive equipment that has been allowed to go to ruin.

Mr. Acting President, I think we will have to take this kind of crisis, this kind of hardship to sort out our problems and seriously sort them out or even if by taking into consideration one of the measures that I spoke about earlier. We have to draw on the trained minds and brains of our entire country to develop innovations. We must have our innovative ideas and build on them. We have to research and take an outward glance at those countries, as small as Barbados, for instance, like the Isle of Wight. Look at some of the projects nearer home where, as Senator Walcott said in one of our sessions, we use our garbage as a resource by getting the necessary equipment to convert some of our garbage into useable products, recycling of certain of our garbage into useable products.

We have at this stage, and I repeat, to let power and competence be connected through the disciplined use of expertise, through consultation and respect for consensus on a continuous basis. Look at our time constraints at this particular time. Our problem has reached crisis proportion. We have to deal with it.

It is with great reservations that I consider the proposals in the total package. They are so wrapped up in each other that it is very difficult to decipher, take away, separate and fragment certain things. Mr. Acting President, it is with great reservations that I will support when I support.

I thank you.

SENATOR T. E. BARKER: Mr. Acting President, I must confess that this time is extremely difficult for me. I am beginning to feel the effects of a week where I saw my rights trampled on, where I saw my brothers' and sisters' rights trampled on by an uncaring Government which puts party interest before national interest.

I listened with anger at the presentation by the Minister. It seemed as though the situation at hand has not humbled him one bit. He still goes on to blame the 1976 sales tax for our present difficulties. He is blaming the Central Bank building, which has nothing to do with Government's revenues. I am entirely amazed at the level of debate in this Chamber.

Mr. ACTING PRESIDENT: In this Chamber, Senator Barker? I think you should withdraw that statement. Were you referring to this Chamber when you were speaking a little while ago?

SENATOR T. E. BARKER: The level of debate in this Chamber. That is what I said, Sir.

Mr. ACTING PRESIDENT: Were you referring to this Chamber when you were speaking before that?

SENATOR T. E. BARKER: Before what, Sir?

Mr. ACTING PRESIDENT: When you spoke before that. Were you referring to this Chamber?

SENATOR T. E. BARKER: The Honourable Senate, Sir. Yes.

Mr. ACTING PRESIDENT: We have not been debating this matter before today so you could only be referring to the speeches made by three Honourable Members.

SENATOR T. E. BARKER: I am referring specifically to the speech made by the Honourable Minister. I said I was appalled by the level of debate on an important Bill which has fundamental and far-reaching consequences, which is going to change the very social fabric of our society. I am amazed that at this time the Minister can still be seeking to lay blame on the 1976 abolition of a sales tax for our present economic circumstances.

SENATOR THE HON. L. V. H. LEWIS: Sir, on a point of order. It may be that the Honourable Senator does not hear or does not understand. I am certain that I did not lay any blame on any sales tax. I specifically said a contributory factor and I named some of the contributory factors. I did not lay blame on any particular thing.

SENATOR T. E. BARKER: Therefore, Sir, he is laying blame on the sales tax by his mentioning it as a contributory factor. The sales tax has helped to put us in trouble, according to him. That is all I am saying.

Mr. ACTING PRESIDENT: Proceed with your debate, Senator Barker.

SENATOR T. E. BARKER: Sir, I know that I will be interrupted many times by them but I will persevere because I...

Mr. ACTING PRESIDENT: All right, persevere. Please proceed.

SENATOR T. E. BARKER: Mr. Acting President, the present difficulties have been referred to as a storm and the

Honourable Prime Minister said that when a storm is coming we cannot do anything about it.  
11.10 a.m.

Sir, first of all it is wrong to liken the economy to a storm. A storm is a natural phenomenon over which we have no control whatsoever. Indeed, Sir, if you can remember, Sir, in the 1970s the Americans tried seeding hurricanes ...

Mr. ACTING PRESIDENT: Senator Barker will you please let this debate be relevant.

SENATOR T. E. BARKER: Sir, I am commenting on a statement that the economy is likened to a storm, so I think, Sir, it is relevant. I am saying, Sir, that the economy cannot be likened to a storm because we have no control over a storm but we control what goes on in the economy of Barbados. We control it, so that foolishness about a storm is totally irrelevant. Sir, even if we take the analogy, when a storm is coming, what do you do? First of all the Government pays meteorologists and when the storm is about four or five days off you get warnings so every citizen prepares. You go and you buy corned beef and sardines ...

Mr. ACTING PRESIDENT: Senator Barker, will you please let this debate be relevant?

SENATOR T. E. BARKER: Sir, I am relevant. I am talking about operations for a storm, Sir.

Mr. ACTING PRESIDENT: I repeat, will you let this debate be relevant?

SENATOR T. E. BARKER: Mr. Acting President, with all due respect, I am making a point. I am saying, Sir, that when a storm is coming that we, citizens take whatever precautions are necessary to mitigate the effects of the storm. Therefore, Sir, what I am saying is that even if you liken the economy to a storm and the storm is coming the economic managers have to do the equivalent of buying corned beef and sardines. They have to do the equivalent of putting up storm shutters. That is what I am saying, Sir. Prudent management also involves forecasting. Management must involve forecasting. You must be able, with wisdom, to look down the line, look at your present indicator and see where you are now and say, look, in two years I am going to be there. Don't wait until you get to the bridge to cross it; start preparing right now.

Sir, the most important economic variable in the economy is our foreign exchange. Balance of payments constrain the economy and all the economic variables we have, the most important one is our foreign exchange. Therefore, Sir, if we are prudent managers we have to be looking for danger signals. That is why, Sir, every morning before the Minister of Finance – Senator Clarke would

know this – before the Minister of Finance gets to work, the Central Bank has a computer print out on his desk, which tells him, look this is what the foreign reserves position is, as of yesterday. So, Sir, he knows, day by day, what the position is. Therefore when the meteorologists warned Mr. Sandiford two years ago, because, Sir, this document, Economic and Financial Statistics published by the Central Bank – August 1991, I don't have to make it a document of the House because I suspect, Sir, it is already laid in the House. Sir, on pages 64–65 the foreign reserves are laid here. What does it show, Sir? It shows that the reserves kept growing in the main and by June 1988 we had \$405 million, which is the highest I see for the end of the second quarter. September 1988 was good. December was the best end of the year figure that we ever had. March 1989 was a record level. So all coming around there we have record levels of foreign reserves. I want to know how the sale tax that was abolished affect these reserves. All along, Sir, all through 1988 we had record levels of reserves. But what has happened, Sir? March – \$401 million, June – \$333 million. Sir, when the Minister of Finance gets that report, and he got the report, his forecaster would undoubtedly be telling him, we have a little problem here. That has nothing to do with champagne taste. Not only that, Sir, even if the Central Bank failed to warn him (and I would put my neck on the block that they warned him) and even if they failed to warn him, Mr. Owen Arthur, who is the Opposition spokesman for Finance, warned him in August of that same year. "Look you have a problem with the reserves." So even if they were deficient (and I know they were not deficient), they had another person warning, "Look the loss in foreign reserves was too great and it is pointing to some underlying weakness in the economy." Therefore when the storm threatens you take precautions. But no precautions were taken.

Mr. Arthur was called a prophet of gloom and doom. Everybody who mentioned it was castigated – we only wanted to pull down the country – and no action was taken. The result, Sir, was that by the end of the year we had lost nearly \$100 million in foreign reserves and once the foreign reserves start on that slippery slope down it is difficult to arrest it. The worse the position gets the more difficult it is to arrest the situation.

So, all through 1990 the reserves started to slip, so by the end of the year the figure was \$165 million and in fact it should have been \$125 million because, Sir, if you look at page 6 of the same document, we had the CMCF debt was \$115 million all along and all of a sudden in December it went up \$154. What happened is that they were not counting interest all along and all of a sudden to make the reserves look good they start to put in the interest which is nearly close to \$40 million. Sir, it reminds me of a quotation and I am just quoting, Sir. I am not casting aspersions, I am just quoting. It says, Sir, that figures would not lie but liars will figure. Every year I give that to

my class. Figures do not lie but liars will figure. So therefore, Sir, if we leave out that \$40 million ... and we should, because it is just an accounting sleight-of-hand, if that is what you call it. It means, Sir, that in 1990 we would have lost \$140 million dollars in reserves in one year. Sir, the Prime Minister admitted it, the Central Bank admitted this, that there have been massive losses, but what happened, nothing was done, nothing substantial was done.

Sir, we must remember that our foreign earnings sectors were in total disarray. In 1986 we were producing 111 000 tonnes of sugar. Last year we had 69 000; this year we have 65 000; and next year, I am told, that if you have 50 000 you are lucky. At a time, Sir, when the price of sugar has started to escalate (it is now over \$1 100 a tonne) that is what they got last year. In 1986 the price was about \$600 to \$700 a tonne. So you see what I am saying, our neglect ... I am sorry the Minister is not here in his chair to face me. The neglect of the agricultural sector has cost us this year, alone, \$50 million or more in foreign exchange. That is what we have lost this year because we have raped sugar. Fifty million dollars in foreign exchange! No wonder our foreign reserves continue to slide. We are neglecting sugar. We are neglecting agriculture and, as a result, given the inter-relationships in agriculture, our food bill within the past five years have gone up by about \$70 million. So that alone is \$110 million in foreign exchange that we have lost in agriculture and people are talking about champagne taste. You are going to blame all sorts of trivialities when the crux of the matter is that our foreign exchange earnings have been allowed to decay to the point where our export is about half of the level of five years ago. You are going to tell me that you are going to blame a person who drinks champagne for the situation which we are in.

11.20 a.m.

The fault has to lie in the economic management over the last three or four years. It has to lie there because you had record numbers of foreign reserves two years ago. Where has it gone? You had \$400 million in March 1989. We have lost over \$300 million in foreign exchange in the last two years and do you want to tell me that that is not due to economic mismanagement? Even Dr. Clarke knows that. It was mismanagement of the highest order and then we are going to blame a man who wants a car. You are going to blame a man who wants a fridge for putting the country in trouble.

Sir, we in the Barbados Labour Party have been warning Government about its expenditure for a long time. We have been warning them, Sir, because we know that there is a direct link between balance of payments difficulties and fiscal deficits. Anybody who went to university or they did not have to go to the university, but anybody who has common sense will know that there is going to be a direct link between your fiscal position and your balance of payments position. That is why, Sir, we

warned the Government that a high level of expenditure cannot be sustained. Sir, a point is most revealing in the Economic Report which was laid in this Chamber earlier this year. On Page 46 it shows a combination of expenditure on GDP on current prices and it has under Consumption Expenditure two headings: Personal and Government. It shows, Sir, that in 1988 the private citizen of this country like you and me, Sir, were consuming \$2004 million in goods. That is just over \$2 billion. In the two years we increased that to \$2151 million an increase, Sir, of 7 per cent. Our consumption only grew by 7 per cent but, Sir, look at Government now.

Government's expenditure in 1988 was \$537 on GDP and it increased to \$693 in two years. That is, Sir, 29 per cent. When people are blaming the private citizen for the crisis, we only increased our consumption by 7 percent but Government increased by 29 per cent. That, Sir, is the cause of all of our problems. While we were holding strain and going along at a reasonable level and keeping pace with the rate of inflation which was about 3 per cent a year, Government in two years increased their expenditure by 29 per cent. When Senator Clarke speaks, I hope that he explains to this Honourable Chamber because he was in the Ministry of Finance. I hope that he explains to this Honourable Chamber why it is that in two years Government's expenditure has increased four times as fast as the private person. Yes, seven times four is twenty-eight, Dr. Clarke. I see you were wondering.

Sir, he must explain to us because we all want explanations.

Mr. ACTING PRESIDENT: Who is he? Will you address the Chair please?

SENATOR T. E. BARKER: I would like Senator Clarke to tell me and Senator Phillips why it is that Government's consumption has risen four times as fast as the rate of inflation. I demand an answer for that when Senator Clarke gets up to speak. I demand an answer to that because it is relevant to the whole situation. Sir, to fuel this level of expenditure, the Government did that in this present Bill. It resorted to illegal means because, Sir, there is a Ways and Means Account which is a statutory stipulation and at the time it was supposed to be 10 per cent of estimated revenue, and the Government admitted that last year they went way above the ten per cent. To make themselves look good, they came to the Senate as well as the Lower House. I was not here then. Thank God for that. They came to this Honourable Senate and passed a law which will validate what they illegally did before which put the limit to 17.5 per cent.

Sir, I do not have that privilege because if I am driving at fifty miles per hour I cannot change the law and say that the speed limit is sixty miles per hour. I cannot do that so the question is: why Government should be allowed

to do that? Government, in my view, should be the best citizen in the land. Government should set the example. Anyhow, that is all history. The point is that the effect of that increase in the Ways and Means is felt now. To finance that level of expenditure, Government reduced itself to a position where it had to break its own law.

Sir, all of this has us in this present difficulty. It has nothing to do with my wanting a video. It has to do, Sir, with the increase in Government's expenditure which was financed solely by borrowing from the Central Bank. What that did, Sir, was to put more money into the economy and, when you put more money into an economy, a lot of it finds its way in the import trade. What Government should have done at that time is to curb its appetite for spending. That, Sir, was the source of our problem. If we control that, then we control everything. But Sir, it was coincidental that 1990 was also an election year. I know what I am saying. Let me say what I am saying.

*Aside.*

SENATOR T. E. BARKER: Sir, let us get back to the present situation. Having run us to the ground and driven us into the arms of the IMF with the result now that the IMF are making us do what we ordinarily would not want to do...I noticed the pain in Senator Lewis' voice when he was presenting it. I have no sympathy for him. I only have pity for him because I know, Sir, as a good Christian he cannot feel happy with the measures that he is helping to perpetrate on the people of Barbados. So I have pity for him and I am sure that he will make his peace with his Maker.

Sir, we were driven into the arms of the IMF. How does Government seek to get us out? Is it by imposing the harshest ever dose of gramoxone on the people of Barbados. Castor oil never killed anybody but gramoxone kills. I am contending that these measures are totally unnecessary.

11.30 a.m

I say that without any hesitation and I will prove that in a minute. You wait and you will learn. They are totally unnecessary and in addition they will wreak havoc in this economy. I am talking about the revenue raising measures. I have been calling for expenditure restraint for years, so I cannot quarrel about expenditure restraint, except for the way it was done. I am quarrelling most vehemently about the imposition of taxation.

Sir, all of us were presented with a copy of gramoxone budget and a few things are revealing. The Prime Minister, first of all, did the right thing in my view of netting out amortisation payments. I was always of the view that amortisation should never be included in current expenditure, because I hold a view about debt which may

be unpopular. I do not feel debt should be repaid, I feel debt should be rolled over. There is no merit in reducing a country's foreign debt, what merit is there? Ceausescu tried it and lost his head. There is no merit in it, so I would leave out amortisation, as was sensibly done. Without amortisation, the Prime Minister said that his deficit, net of amortisation, would be \$116.4 million or 4% of GDP. That is on page 7 of the Statement. It is arithmetic. If the deficit is \$116 million, which is 4% of GDP, and you want to reduce the deficit to 1% of GDP, how much do you have to reduce it by? It is pure arithmetic. You would have to reduce the deficit by some \$90 million. That is plain arithmetic.

I want to point out, Sir, that historically the deficit has never been below 2.3%, so there is no merit in carrying it to 1%. Do not let us get too much into that point, but even if he unwisely seeks to reduce it to 1%, that would mean that either through revenue or expenditure he would have to look for \$90 million, either from increasing revenue or decreasing expenditure, and that is arithmetic. If \$116 million is 4%, 1% is around \$30 million – \$29 million. That is plain. We cannot argue about that. Therefore, the Prime Minister has to look for less than \$90 million. So the question I have to ask – and Dr. Clarke can advise me – if he only wants \$90 million, why has he imposed \$176 million? I cannot understand it. He said he is going to raise revenue of \$62 million and cut expenditure, and the total effect was \$176 million. I do not understand the arithmetic. If it is \$116 million and he wants to reduce it to about 30, why impose \$176 million? Nobody has explained that to me yet and I am waiting eagerly for a better economist than me, Dr. Clarke, to explain to me how 116 from 176 leaves 30. I am waiting with bated breath for that explanation. I am a humble man, but when it comes to figures there are very few people who can better me. That is not a boast, that is a fact, so I want an explanation.

Sir, this single fact is the most important point of the whole exercise. Why did the Prime Minister have to introduce \$176 million in both revenue raising measures and expenditure when he only wanted \$90 million? All this talk about the country needs this, prove to me that the country needed an adjustment of \$176 million. I cannot see it. What will happen if he does that is that for the first time in history we would have a fiscal surplus, and it does not make sense for developing countries to run a fiscal surplus. That is bad economics, especially when in order to do it you mash up the country. So we can end there, because that is the crux of the whole budget. Why, if you want an adjustment of \$90 million, you bring measures for \$176 million? Without that, our debate is meaningless and if there is no explanation for that you are just wasting our time with these five measures, because everything hinges on this single question, "Why do we need an over adjustment of some \$90 million, when we could have had slighter measures?"

Sir, in the same speech the Prime Minister said, and I am reading from page 7: "For the current financial year 1991/92, the estimated current revenue is expected to be \$1,051.8 million after taking account of the additional measures in the 1991 budget,..." Which means that before September 17 the Prime Minister expected to raise \$1,051 million. Again I have a problem with my arithmetic. On page 7 it is \$1,051 and he raises \$62 million in taxation, and on page 29 revenue is \$1,061 million. I do not understand this. He says on page 29: "As a result, the fiscal out-turn is now projected as follows:

(i) Expenditure ... .. \$1,097.4 million

(ii) Revenue ... .. \$1,061.6 million"

I am at a loss, Sir. It is \$1051 million now, Sir, you add on \$62 million and you end up with \$1061 million. Even new maths does not allow that sort of calculation, so do you see why I have some problems? Because with my training in Mathematics, I cannot handle this.

On page 54 of the same Economic and Financial Statistics, for the first four months of this fiscal year revenue was \$310 million, which is 15% above that which obtained in 1990. What I am saying is that for the first part of this fiscal year the revenue is 15% above that of the year in front, which means on a straight line tabulation that it will be close to \$1100 million, if everything goes according to projection, by the end of the year. Even if you allow for a \$50 million error, you will be at \$1040 or \$1050. So I have problems. The Prime Minister is on target for \$1051, and according to the out-turn figures, that seems obtainable, but he puts on taxation of \$62 million and end up with \$1061 million.

Sir, do you see why I cannot support the measures? Because, forgetting politics, my mathematics would not allow me to support them. They do not gel, and Dr. Clarke should know better. He should not allow this sort of arithmetic to pass through Cabinet. I have a lot of respect for Senator Clarke.

11.40 a.m.

One of the unnecessary measures then...because if you only wanted \$90 million and you induce expenditure of \$114 million, \$90 million from \$114 million is \$24 million. So on the expenditure side alone you have \$24 million that you should not have. Therefore, why hurt the poor civil servants when you do not need that money? I do not understand it. You do not need the money because you are on target for what you want but still you are going to hurt the poor civil servants. My heart bleeds. I am close to an emotional trauma.

Sir, let us turn now to the Bill at hand. Could you please tell me how much time I have left?

Mr. ACTING PRESIDENT: Yes. You have 28 minutes left.

SENATOR T. E. BARKER: Thank you very much, Sir, because I can go on and on. Now, Sir, let us turn to the specific measure on hand; that is a Bill, if you may call it that, to make provision for a reduction in the emoluments of officers and other employees in the Public Service and related bodies. This Bill sets us back 50 years.

*Aside.*

SENATOR T. E. BARKER: Yes, it does. I remember in the 1940s around the time of the birth of the Trade Union Movement when men like the late Mr. Barrow from St. Jude's, Mr. Welch from Bay Street and the Rev. Frank Barker from Clifton Hill got together and started a group within the Public Service. It was the Teachers' Union and the Civil Service Association. Sir, I had lots of talks with my uncle and he told me of the horrors they went through in trying to alleviate the conditions under which the public servants worked in those days. This was especially so for women. If a woman was teaching and she got married, she had to leave her job. So conditions, especially for women, were horrible.

I am thankful that my uncle and others at great sacrifice – because he told me that in the 1940s you were fighting against a colonial system – formed the unions. In the 50 years since they have alleviated the conditions under which civil servants worked. Sir, I am sure that those founding members who are dead must be turning in their graves because all the work, all the sacrifices this one Bill seeks to reverse all that they fought for. I personally feel hurt that the sacrifices they went through are all to no avail today.

Sir, I refer you to the Constitution of Barbados, section 112. I am sorry that Senator Inniss is not in his place. The Constitution says:–

- (1) "There shall be paid to the holders of the offices to which this section applies such salaries as may be prescribed by or under any law."

It continues at clauses (3) and (4):–

- (3) "The salary and allowances payable to the holder of any office to which this section applies and his other terms of service shall not be altered to his disadvantage after his appointment and, for the purposes of this subsection, in so far as the terms of service of any person depend upon the option of that person, the terms for which he opts shall be taken to be more advantageous to him than any other terms for which he might have opted.

- (4) This section applies to the offices of Governor-General, Judges, Director of Public Prosecutions, Auditor-General, appointed members of the Judicial and Legal Service Commission and members of the Public Service Commission and the Police Service Commission."

This is part of the Constitution of Barbados which is unchangeable except by a two-thirds majority of both Houses of Parliament. It says that you cannot reduce the salaries of these people and, Sir, there is a reason for that. These honourable men have a solemn responsibility to act impartially without harassment and fear especially when it comes to protecting the rights of the individuals. In the Constitution they freed these men from any undue political pressure so that they would be free to impartially carry out their office. But, Sir, this Bill seeks to reduce the salary of the Director of Public Prosecutions and the Auditor General.

*Aside.*

SENATOR T. E. BARKER: I am not defending anybody. I am defending the Constitution of Barbados because without the laws, all like Senator Mottley and myself would be nowhere today. We need the protection. What I am saying, Sir, and you had better hush on this point, is that the Constitution prevents...

*Aside.*

SENATOR T. E. BARKER: I am saying that this Honourable Senate should not in any conscience pass any Bill which goes against the Constitution of Barbados. I am sure the point is taken that the Constitution of Barbados... Remember this Constitution was the subject of much debate in conferences in England in 1966 and thereabout. Many people had lots to say about the Constitution. Indeed, Sir, if you remember around 1978 there was a constitutional commission set up under Sir Mencea Cox and nobody ever sought to change this provision, as far as I know, because everybody understood that you had to protect the holders of these offices from undue pressure.

Sir, I am saying that this Bill goes against the provisions in the Constitution. For that reason and that reason alone, I beg Honourable Members to vote against this Bill. How can we in good conscience vote for a Bill which goes against an almost sacred document like our Constitution? We pledged a lot of allegiances when we became Senators. As citizens we are pledged to uphold the laws. We in this Senate have an even greater responsibility. We are called the Upper Chamber.

Mr. ACTING PRESIDENT: Order, please.

SENATOR T. E. BARKER: So, Sir, how can we in here pass a Bill which is so fundamentally and diametrically opposed to Section 112? We should send this back to the Other Place and say that this goes against our Constitution. Therefore, do something about it because we in this Senate would want to send a signal to the rest of Barbados that lawlessness will not be tolerated. We are having problems with law and order in our society and we as a Senate have to send the right signals to the community.

11.50 a.m.

We have to tell them, Sir, that we are serious about the preservation of law and order. But how can we, Sir, be serious about the preservation of law and order when we, ourselves, are doing things which are unlawful. I know the hurtful part about it, Sir, is that people are saying, well go and test it in the law courts. If you are vexed go to the court. Now that is okay we thank God for that recourse. But look, you want to compromise the law courts because I am told that the Judges were sent an option form. The Judges of this land were sent an option form. Now this is a very serious point, when, Sir, at a later date they themselves are going to be asked to comment on the legality or otherwise of option forms and they are sent an option form. I am saying, Sir, that – Senator Morrison can joke as much as he likes – but this is a very, very serious matter and it offends, Sir, it offends everything that is decent and good in Barbados.

We, Sir, have traditionally been a law abiding society. Now we are on the subject of law, I remember as a boy seeing the old men with their bicycles and they would not have a light. Sir, suppose an old man was in town and his bicycle light went bad, when he is on the broad road he would walk a piece and then he might be tired and go through a little back track and so on. Sir, the point I am making is that we have in us a basic respect for law. I am afraid now that it is being eroded. If Parliament is not upholding the law, what are we leaving for the fellow out there to do. Sir, we have to be serious about what signals we are sending. Don't tell a man go in court if you...

Mr. ACTING PRESIDENT: Let us hear the point of order, Senator Morrison.

SENATOR A. MORRISON: I do not understand how Parliament does not uphold the law. Sir, Parliament is a law making body. I do not understand that kind of reference, Sir.

Mr. ACTING PRESIDENT: Thank you, Senator Morrison, I shall decide that. Please proceed.

SENATOR T. E. BARKER: I thank you for your protection, Mr. Acting President. The point I am making is

that this offends all that is good about Barbados; it is for that matter alone we have to be very careful. The point I was trying to make is that in Trinidad when the same foolishness was instituted they went to the Law Courts and the Law Courts which followed a similar constitutional arrangement as us, told them that it was illegal and it told the Government to pay back the ten per cent that they took as well as the cost of living allowance and the Government in Trinidad, in the face of a High Court decision, up to now refuses to pay the ten percent. I think, Sir, the Government of Barbados seems to be heading along that same line.

Mr. ACTING PRESIDENT: Senator Morrison will you please keep your asides *sotto voce*. Senator Barker, you will proceed with the debate.

SENATOR T. E. BARKER: Sir, I apologise for that outburst. I hope the Government of Barbados will not go down that line, because it does not speak well for the Government of Trinidad that they are actually balking a high court decision. It does not sound good. I hope, Sir, that the three Cabinet Ministers in here, when they come around the table next week, or whenever they meet – maybe tomorrow in an emergency session – they would alert the Prime Minister to the dangerous stand he is taking and cause a little bit of holding reins. I must repeat, all of this illegality is unnecessary because we can make the adjustment, as I hope I have convinced Dr. Clarke and others, we can make the adjustment without having to undergo these draconian measures.

Sir, the Bill also offends section 16 of the same Constitution because Section 16 says that no property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except by or under the authority of a written law, and where provision applying to that acquisition or taking of possession is made by a written law, one of the further comments is that the law must prescribe the principles on which and the manner in which compensation therefore is to be determined and given.

In other words, what I am saying, I am not a lawyer, Sir; I am just giving a layman's explanation. This section is saying that if I have property the State or nobody can take it away unless it is by a law and that law must say that I want this land or whatever for a particular purpose as we normally debate here in this Chamber and, secondly, I want to compensate you so much for the property that I am taking.

Now, Sir, the courts in many jurisdictions have taken a man's salary to be his property. In many jurisdictions the Courts say that a man's salary is his property, therefore section 16 of the Constitution and probably, Sir, I will

invite a lawyer when he speaks ... so if I am ignorant of the law, please, I am begging for enlightenment.

*Aside.*

SENATOR T. E. BARKER: I can pay for it because you know that I normally pay my bills.

Mr. ACTING PRESIDENT: Senator Barker, address the Chair, please.

SENATOR T. E. BARKER: Sir, I would like a lawyer to comment on this and to advise the Chamber, because, Sir, the Attorney General is the legal adviser to the Government and I saw the Attorney General voting for this Bill last night in the other place. Is he telling us then that the law is okay? I don't know. Sir, not only in my arithmetic, but in my legal training, I have serious problems. Everybody has legal training, including Senator Inniss.

Sir, section 16 forbids Government taking my property without compensating me and as Senator Inniss knows very well, because he will say it when he gets up, a man's salary is taken to be his property.

Mr. ACTING PRESIDENT: Do not anticipate the Senator, Senator Barker.

SENATOR T. E. BARKER: I apologise, Sir. Sir, everybody knows that a man's salary is taken to be his property. The law says that you cannot take away a man's property unless you compensate him. What is the compensation? Now, Sir, in the option form he was promised, if you take a pay cut there will be no devaluation, but Saturday night the Prime Minister said, I am not guaranteeing that. So even that, if you say that is compensation, he offered no compensation. You are taking away a man's property and Sir, I spoke about this sometime ago in a land acquisition where I was lamenting the fact that Government takes away your property and takes ten years to pay.

These things offend me, Sir, because I am basically a law abiding person. I like to keep the law as my good friend Senator Alleyne knows, and Sir, it offends me when the law is treated in this callous regard. Sir, for those two reasons alone without the economics, I could not support this Bill because it is breaking laws and I am sure that all of us in here ...

SENATOR A. MORRISON: Sir, Parliament does not break laws. Parliament is the highest court in this land and anybody who refers to Parliament's ability to pass laws by saying that they are breaking laws is out of order, Sir.

Mr. ACTING PRESIDENT: Thank you, Senator Morrison.

SENATOR T. E. BARKER: Well then, is the Minister saying that it is going to require a two-thirds majority to pass this Bill?

SENATOR A. MORRISON: I am not saying so, Sir, I am saying that Parliament is the highest court in this land. Parliament has to pass laws, the courts have to decide on laws that Parliament pass. There are two different functions, Sir.

Mr. ACTING PRESIDENT: Your point is well taken, Senator Morrison.

SENATOR T. E. BARKER: Even the most elementary student of civics knows that a Constitution is not a law in that regard. A constitution requires a two-thirds majority to pass the House. Anytime you are changing the Constitution, it would require a two-thirds majority. If you didn't have a two-thirds majority last night and you are not going to get a two-thirds majority today because Honourable Members are going to vote by their consciences. What I am saying is that even if I take his point, Parliament cannot make a law which goes against the Constitution.

SENATOR A. MORRISON: On a point of order, Sir.

Mr. ACTING PRESIDENT: Senator Morrison, I have heard your point on two occasions and you will now take your seat.

SENATOR A. MORRISON: On a point of order, Sir.

Mr. ACTING PRESIDENT: Is it a new point or are you repeating the same thing.

SENATOR A. MORRISON: Sir, you have not ruled on it. I am stating that the Honourable Member is making the point and he is questioning Parliament's right to make laws.

Mr. ACTING PRESIDENT: I have heard you before, Senator Morrison. You will take your seat. Senator Barker, you may continue.

SENATOR T. E. BARKER: Sir, the point is well taken that Parliament can make laws, but Parliament itself, unless it gets a two-thirds majority cannot amend the Constitution. That is a clear point.

Sir, I want to touch in my minute or so left on the matter of voting. Again, Sir, the Trade Unions must take a lot of blame for this. Sir, the object of a trade union, the *raison d'être* so to speak, is that the employer no longer talks to the employee with regard to salaries and conditions but rather he talks to the employee through his union representative. That Sir, I take to be one of the basic tenets

that the employer deals with the employee in matters of conditions and pay and so on through the Union.

Sir, what has happened last two weeks is that Government has bypassed this convention and it goes over the heads of the Union in the Civil Service and dealt directly with the employees. Now if, Sir, this had happened in a private company, let's say in C. O. Williams' quarries I am sure, Sir, the Workers Union would be up in arms saying, "Look we have an agreement where you don't talk to them you come and discuss with us conditions of pay and service."

12.00 noon.

Well, we have an agreement. If they came and discussed with us the conditions of pay and service, I would see the whole of Bridgetown blocked. A fundamental breach of freedom they would say and I would join them, Sir, because we fought, not only we but the whole nation to ensure these fundamental rights. This is not the time in 1991 for us to be breaking these fundamental rights. Because if Government breaks them, then so could Cole Printery. Government must set the example. The point that I want to make, Sir, is that Government must set the example. That is all that I am saying. They must set the tone for industrial relations in this country. If they are treating the unions in this regard, it is something significant that I object to now. Do what you like. It is an open door in the unions now. Government can do it. Why can I not do it? They are ringing their own death bell, not the DLP.

Sir, I would have a difficulty if I were a member of the NUPW in paying my fees to a union which does not support me. I would have a lot of difficulty. If a union of which I am a member does not support me, I would say look, leave my money because I pay in my money when the month comes for representation. If I have got to represent myself and if I am going to be harassed by Ministers, if Permanent Secretaries are going to come and force me to sign a form, if Ministers are going to hint to me that if I do not sign that I will lose my job, then what do I have a union for? What I am saying, Sir, is that Ministers of the Crown can do this which is not permitted in the private sector. They cannot do this because the whole of Bridgetown would be up in arms, but Ministers do it. They are threatening members of staff.

SENATOR A. MORRISON: On a point of order, Sir. As a Minister, I have never threatened any members of my staff. I speak for myself, Sir.

SENATOR T. E. BARKER: Sir, can I have the assurance from the other Ministers?

Mr. ACTING PRESIDENT: Senator Barker, will you continue your speech please?

SENATOR T. E. BARKER: Sir, I want to thank the Minister for saying that he did not harass his staff and I would invite the other Ministers to publicly say the same thing. That is all that I am saying. First of all, the matter started out as a voluntary form. But all of a sudden now we hear that it is a majority vote.

Mr. ACTING PRESIDENT: Senator Barker, you have got two more minutes.

SENATOR T. E. BARKER: Thank you, Sir. I will talk more about this matter later. But the point I want to make, Sir, is that Ministers of the Crown should not be engaging themselves in those activities. It speaks bad for the political arena. It speaks bad for industrial relations and, Sir, when they resort to this they are lowering themselves and they are doing nothing to effect the morale. Sir, the Prime Minister said that if a majority amount of the civil servants opted for it, then it will be across the board. But Sir, he said that there were 25,000 public servants. He said if the majority of public servants voted and a majority of 25,000 is not 10,000.

Mr. ACTING PRESIDENT: Senator Barker, your time has expired.

SENATOR T. E. BARKER: Sir, for all the reasons that I outlined before, I cannot support the Bill and I will invite my fellow Senators on both sides of the Table to join me and protest this indecent assault on the livelihood of our public servants.

Mr. ACTING PRESIDENT: The question is...

SENATOR Dr. F. W. ALLEYNE: Mr. Acting President, it has been a pleasure listening to the speeches that have gone before. They have been very able contributions. I cannot agree with everything that Senator Barker has said, but I certainly derived a lot of satisfaction in hearing him speak.

This matter has to do with the reduction of pay of the public officers. When the Bill relating to the regrading came before this Chamber, you will recall, Mr. Acting President, that at that time I raised concern about the level of Government's expenditure and particularly the wages and salaries and related entitlements as a proportion of Government's current expenditure. At that time too, I recalled that I made a comparative analysis with Jamaica and Trinidad and Tobago and the point that I was making was that if the trend continued Barbados was looking for trouble. I said then that it was too high and I am convinced today that it is too high. The fact that I am a Government Senator does not colour my professional opinion. When I speak on professional matters and the Government does not like it, all the Prime Minister has to do is to go to the

Governor-General and remove me from the Senate and that does not worry me. I have always been very clear on that. I know how I got in this Senate and I know how I will leave.

This matter of the wages and salaries component in public expenditure is not something that started yesterday. It has to do with the fact that in Barbados successive administrations have held the view that Government is an employment agency, an agency of last resort. Unless that view is changed, we are doomed to damnation in Barbados. I do not care which administration comes in and what is worse is that you have people who are well qualified who have left school, with 7 "O" Levels, and 2 or 3 "A" Levels who cannot even get a job. People with one certificate are employed in the Public Service of Barbados. I know of what I am talking. This is a fact. It is totally unacceptable. Perhaps this juncture which we have reached in Barbados should teach us some lessons. We did not get there overnight. It is time in my view to put everything on the table and start to re-examine what we have been doing. I am not going to waste time, Mr. Acting President, going back in time and history pointing out who has done what. 12.10 p.m.

I will take the advice of Senator Straughn and Senator Walcott. You do not have to waste time on that. The fundamental reason why we are at this crisis point today in our history has to do with a failure in our management. Let us make no mistake about that. It is a failure in management at all levels. That is what it is. Our management has failed us.

There is a very basic relationship, Mr. Acting President, between the public sector and the private sector. I believe in the Appropriation Bill – I think it was 1990 – I made the point then that the relationship between the private sector and the public sector ought to be a symbiotic relationship. I think they should be mutually supportive. Our experience will show that that has not always been the case. Whenever the public sector grows at too fast a rate, or put another way, a rate which is faster than the productive sector, you are heading for trouble in any economy. Senator Barker proved that point, I have to admit it, when he looked at the growth of Government consumption expenditure on goods and services *vis-a-vis* private consumption expenditure. It is not that I am supporting him on his entire case, but it is a point which is beyond issue. Whenever you find the public sector expenditure and demand for goods and services is growing at a rate which is much more rapid than the tradeable goods sector of the economy can support, that economy is heading for trouble. This is one of the things which we have to examine in Barbados. Can we continue with that? The answer is no. If we continue with it, we jeopardise the livelihood of everybody in Barbados.

This is not something that started in 1986, this trend started way back when Cabinet Government started around 1954, but it accelerated after 1966 when we became politically independent. You check the record and you will see that in 1966 and after all kinds of barriers were removed, barriers which ensured efficiency in the Public Service. All the checks which ensured some kind of efficiency in the Public Service were systematically removed. You can walk into the Public Service today – not like the time when Senator Lewis went into it, it is not the same Public Service – and you do not have to run into the efficiency bars, the merit bars and the qualification bars, all of them have been removed. When you get inside there, you are in there for life and your increment is automatic. It was not always that way. The Unions have to take some blame in this too. I am not going to be so partisan in outlook as not to recognise that at times we have bent over backwards.

The public sector is carried by the private sector in our economy, but the significance of the public sector is that it has to set the framework for sound, macro economic policy. Unless you have a framework for sound, macro economic policy, no business in this country can flourish for a long time. In the final analysis everything is going to fall apart. That is something we have to examine in the days, the weeks and the months ahead.

When we have a public sector that is too large, as in fact we have today, what it does for us is this. We have to support it, we have to find the money to pay for it. It means higher levels of taxation and our administration of taxation is unfair. The people who are on salaries and wages become prisoners. That is unfair. I believe that if this Senate were to know – I have to be careful, Mr. Acting President, making this point, but I will make it nevertheless. The last time I made it the Honourable Owen Arthur and his colleagues called on Prime Minister Sandiford to remove me from the Senate and from the Central Bank. They say I get to know too many things and talk them, and nowadays I do not talk but they are calling on me to talk. My response is, if they want me to talk, they must pay me fees. If you want Senator Inmiss to talk, he is a lawyer and you will have to pay him fees; Senator Mottley to talk, pay her. Pay me. I will talk when I want to talk. If you have a public sector which is too large, it means you have to tax more and you put the salaried people and those on wages in Barbados into a pincer, not the self-employed.

Mr. Acting President, if you should ever get to know what is the true number of people who file tax returns in Barbados, or the true number who file tax returns declaring income in excess of \$20,000 a year, you would believe you are not living in Barbados. I know the number and I am

not going to divulge it, lest they say that I should be put out of the Senate. Not that I am afraid to go, but it is a harsh reality we have to face. What that does? The higher the tax levels, the more evasion you encourage. The higher the disincentives to the private sector, the smaller the surplus and the lower the rate of capital accumulation in this country. We have to address these issues at this time. Stop apportioning blame and let us lay bare the bones of the problem, and put them on the table and examine what we have to deal with.

Anybody who has been following the economy in Barbados knows that since about 1981 the tradeable goods sector in this economy has been growing much more slowly than the non-tradeables, and whilst that is happening the economy is looking for trouble. It is all right to talk about you get this growth – 4.7, 3.5 – look and see how you got it. If you are getting that primarily because of expansion in the non-tradeable goods sector, you are looking for trouble, because the tradeable goods sector – goods and services – has to support the non-tradeable goods. This is why when I find some people in Barbados saying that construction is the barometer of the economy, they do not know what they are talking about. Construction has to be supported by the tradeable goods and services sector, not the other way around. I do not understand what passes for economic intelligence by some in this country.

*Aside.*

SENATOR Dr. F. W. ALLEYNE: Yes, but you can try to teach them. Mr. Acting President, I know you were an educator at one time, but some people will never learn in spite of our efforts. What we have had then to deal with over the last couple of years in Barbados, I think I detected certainly in the seventies and down through the eighties, what I call a tide of rising expectations which have spread into the demand for more and more consumption goods. Our undoing since 1989 has been the fact that total domestic expenditure has continued to grow while the foreign reserve earnings have been declining. It is a serious problem.

12.20 p.m.

I agree with Senator Barker. The most important policy variable which you have to watch in this economy is the movements in your foreign reserves. If a definite trend has developed – notice I say "a trend" – where that is moving against you, you can ill afford to allow total domestic expenditure to move in the other direction. What it does is, if you allow that to happen, knowledgeable businessmen, and business persons (when I say "men" I mean women as well because my understanding from young is that the masculine habitually embraces the feminine although nowadays I understand it is the other way) seeing that trend develop will start to protect their

capital values. It is in that context that you understand capital flight. Unfortunately, the evidence seems to suggest that that has exacerbated our problem in the last two or three years and that is why I talk about sound macro economic policies. All the talk you have about politics, at the end of the day and your macro economic policy is conflicting you are sounding your death knell.

Also, too, not only was our foreign exchange earnings base contracting but ever since 1981 there was a drying up of foreign capital inflows into this country. They were literally drying up. It is not difficult to understand because the largest economy in the world is the greatest attractor of capital inflows, that is, the United States of America with that large fiscal deficit which it has.

I have, Mr. Acting President, to confess that there is abundant evidence that in the Public Service there has been a substantial decline in management efficiency and productivity. I am appalled sometimes when I am leaving the Central Bank building to see public servants in the betting shops down there when they should be at work, or if I have to pass through Broad Street at 10.00 or 11.00 o'clock, you want to know if the Public Service is closed down. I want to know when do some people work? What are the taxpayers paying for?

I go further. During my last contribution in the Senate I spoke of the need for management training at the highest levels in the Public Service starting from the Prime Minister down because a prime minister is the highest manager in the land, and the Ministers too. It is totally unacceptable to me year after year, not only has it happened in 1991, it has been happening for quite some time, the number of supplementaries which come into the Chambers. The same way a business sits down and works out a budget and that budget is used as a tool for management, Government has to adhere to that. This business of Ministers pre-empting, getting around Parliament by going out and committing expenditures and weak-kneed Permanent Secretaries then going and spending and the bill for that expenditure turning up on the desks of the Ministry of Finance has to stop. If it does not stop Barbados is going to be destroyed and all of us will have more shame heaped on our heads.

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I rise on a point of order because I can only speak for myself or of what I know. I certainly do not know of any Minister who goes out and commits Government to any positions and then requires any Permanent Secretary to cover for him. I would like that to be in the record of this Honourable Senate. I know not of any in the past. I do not know of any in the present.

Mr. ACTING PRESIDENT: Thank you, Senator Lewis.

SENATOR Dr. F. W. ALLEYNE: I am grateful for Senator Lewis' intervention but my point remains unchanged because I know it happens.

*Aside.*

SENATOR Dr. F. W. ALLEYNE: He is an ex-Minister.

Mr. ACTING PRESIDENT: Address the Chair, please.

SENATOR Dr. F. W. ALLEYNE: Yes, Mr. Acting President. I have no doubt the Honourable Minister of Agriculture will avoid that indiscretion because he knows the Public Service. He is a trained professional public servant. I cannot say that about many others.

*Aside.*

SENATOR Dr. F. W. ALLEYNE: A good public servant. The point I am making, Mr. Acting President, is people are getting up and we are attacking the IMF and behaving as if the IMF invited itself into Barbados. The IMF did not invite itself into Barbados. We invited the IMF to put our house in order because we cannot do it ourselves. That is why they are here. Let us stop this foolish talk about the IMF does this and the IMF does that. The IMF has not done anything yet because they have not entered into an agreement with the Government of Barbados so all this talk about the IMF this and the IMF that is foolish talk.

I know as a practising economist of many years standing and experience that if you go to the IMF when you are in a position where you can bargain, the medicine is weak. If you go with no bargaining chips you have to take what you get. A beggar cannot be a chooser. I am not going to tell my students one thing and come in the Senate and say another thing. I have to live with my professional conscience.

Mr. Acting President, during the time I have left, there are a few comments I want to make about what we have to do. Government's expenditure basically is made up of wages and salaries and the related things which come out of these like pensions, national insurance contributions, expenditure on goods and services, transfers and subsidies, and debt service.

I have no doubt that the Government has been going through this with its experts, and the experts exclude me. A lot of people in Barbados have a way of getting up and saying "I run a Government. I am the chief adviser". I have never been adviser or chief adviser, not even to Fly. I want to make that very clear. So stop this foolishness walking about Barbados saying that I am adviser or chief adviser to somebody. I do not give unsolicited advice because if you

give unsolicited advice nobody has regard for you. If you want advice from me, Mr. Acting President, I have always insisted, do not send a third party. Come to me and say you want my advice, tell me what you want to speak about and tell me where. I have never been a pimp in my whole life and I will only pimp behind Jesus Christ, nobody else.

I have no doubt, Mr. Acting President, that the Government has been trying to prune these four categories of expenditure which I have been talking about. But I say that nothing short of a full rationalisation of public expenditure will satisfy. The Government has certain goals which it has set out and the expenditure goals have to be in harmony with those national goals.

In Barbados we have about more than 50 statutory corporations. Many of them have served us well in the 1950s, the 1960s and the 1970s. A vast number of them have lost their way. It is time to re-examine all of these statutory corporations, decide those which you are going to close and those which you are going to modify. We are living in the 1990s and we have now to refashion them to service the rest of the 1990s and beyond. If you look at many of these institutions you can see there is a lot of duplication. By and large a lot of them provide sinecures for people. It is better to give out that money as a welfare grant than to continue with those institutions.

I am not worried about the reference of the Minister to regional institutions, whether he means the University or which one, because I know that you cannot keep a good man down. If you have quality you will survive irrespective of the circumstances.

12.30 p.m.

The second thing which I am suggesting, Mr. Acting President, is a full divestment of state enterprises. The reason for the establishment of enterprises like Hilton Hotel and Heywoods had to do with the fact that Government has to play a pioneering role to get the industry on its way. That is the fundamental reason. Once the industry has been established that rationale can no longer be acceptable. You have to take the capital out, start to look and see what is the best alternative uses of that capital and put it there. To tell me you are going to hang on to it because you are getting revenue out of it is foolishness. I don't care which Government is in power it is economic foolishness.

Let me also say, there are certain of those state enterprises which you have to be careful with their divestment. This Government has set out a programme of divestment in its 1991 Manifesto and I urge the Prime Minister and the Cabinet to take its Manifesto seriously and implement that divestment programme. You can't take CBC and put it in the hands of a couple private sector people. Senator Inniss has admirably explained to this Chamber why you can't do it. I am not going to repeat it. I am not for the placing of CBC in the hands of a couple

private individuals. There are broad-based mass institutions of this country, let us divest it and put it into their hands. If we say they don't have the money, there are means of putting capital in place for them to do it.

Mr. Acting President, again, I call today for a review of all the procedures governing the approval, the disbursement, the monitoring and evaluation of public expenditure. It is absolutely necessary. I called for it before, but this juncture which we are at in this country today convinces me more than ever. As Senator Lewis has echoed this morning, the Honourable Senator said, "We need to review those procedures". I have no doubt that Permanent Secretaries can run rings around Ministers too, and in a real sense. The Minister might have power on paper, but a Permanent Secretary can have real power and he can embarrass a Minister. He can spend every penny he has in a vote for twelve months and he can spend it in 2 to 3 months. He can do it. Those procedures have to be reviewed.

This notion that the public sector is an employment agency has to be done away with. We have to earn our keep. Nobody owes us a living and we have to understand that.

Mr. Acting President, the Ministry of Finance has to be restored to its premier position in terms of deciding who spends what in this country. No circumventing of the Ministry of Finance at all.

The last point I wish to make – I know it is a sore point, but I am going to make it nonetheless. The public service over the last fifteen years, certainly is not the institution it was in the 1950s and 1960s. From the time the constitutional amendment of 1974 was passed the morale and the professional integrity of the public service has suffered. And I, Mr. Acting President, say today, repeal the 1974 Constitutional Amendment Act so that the public service can become a cadre of professional people and get the political hacks out of the public service.

Mr. Acting President, I am much obliged to you.

SENATOR C. O. WILLIAMS: Mr. Acting President, I would crave your indulgence to do an analytical review of why we have got here, as the Honourable Senator Lewis did.

Although most of what Senator Alleyne said, in what I consider, his brilliant and truthful analysis of our situation is mainly correct, I disagree with him on one point in that management is solely responsible for the situation that we are in today.

I will go back and reference Senator Lewis' remarks to prove that it is not only management but it is political opportunism, along with bad management, that has us in

the position that we are in today. Political opportunism is what causes managers to be bad. Senator Lewis made reference, and I will prove it in a cycle that in 1975/76 when this thing was looming, fiscal policies were being adjusted to stop it but political parties saw fit to take advantage of certain things that were necessary – that is, the sales tax and other things – to gain political power. History proves that in five years time the hurricane that was hatched came to reap its vengeance as is proved in 1981/82.

Again in 1985/86 the desire for political power at all costs brought on by tax concessions that everybody thought of – I heard the economists say it could not work – the race issue was used to gain power. If you look at it, in five years' time we are reaping the effects of that lawlessness expressed in the urge to get the thing you call a vote. I am not a politician, Sir. I am totally independent. Like Senator Alleyne says, if our dearest lady sees and thinks fit that I should leave, I would have left knowing that I said what I thought was right.

We are reaping today what we sowed, nothing more, nothing less. Don't let us ever kid ourselves that when we say these things in Parliament, where we have immunity, as was said, and Senator Alleyne referred to, when we started to slide. May I quote this, Sir, or do I have to make it a document of the House? I am referring to the Prime Minister's Speech.

Mr. ACTING PRESIDENT: No, it is already a document.

SENATOR C. O. WILLIAMS: Look at it, Sir. It states very, very clearly at page 6 and it shows you how the graph goes. 75/76 and it continues in 78/79 up in the air and by 1981 it is flat. In 1985, 1986, 1987, 1988, 1989 up in the air, 1990 down the hill again and flat.

The same way that Senator Alleyne said that the public service must take the responsibility, and I agree with him one hundred percent, he has not said anything in here this afternoon which is not absolutely true, so does the politician. When they get and pass remarks and make speeches in Parliament and say who should get what, they fail to realise that this news goes via embassies, media – the world today is a village – all over the world.  
12.40 p.m.

When you get to the point where you tell a man that he is entitled to something because of the colour of his skin, everybody reads it. So those who might be perspective investors in Barbados have the same feelings. They are not idiots. They read it. It was the subject in the United Nations, in Geneva only this year and brought headlines in several outstanding and major newspapers in the world that Barbados was now practising the ways things were going out according to the colour of your skin.

We are reaping that today. The lack of investment in this country in part is due to this.

Let us not run away, Senator Lewis, with the idea that Barbados – Sorry, Sir, but with the remark that small islands are going to suffer. It is living proof that Cayman Islands' tourism is up 17 per cent. It is living proof that St. Lucia's domestic improvement is over 3 or 4 per cent. It is living proof that it has a hundred thousand people less than us and earns \$200 million from bananas. It is living proof that over the last three years over two hundred million dollars in construction work has been awarded in St. Lucia every year. Why is it not in Barbados? One hotel in St. Lucia which is going up today is 260 rooms and all the money is brought in. The name of the game is confidence and we lost it for reasons that Senator Alleyne and some that I have mentioned. We have lost it. I have just come back from England on three trips and wherever I go people are saying, "What has gone wrong with Barbados?" We need a reassessment.

Sir, we invited people that have no rights in here. The two Senators on my right alluded to it and I am going to do it too. If timely action was taken, this could never have happened. Senator Alleyne referred to it. If the Hilton, Insurance Corporation of Barbados, and the Pine Hill Dairy shares had been put up for sale in a timely manner, we would not be in a position to be recolonized. On page 35 of the Prime Minister's speech tells me that Barbados is really recolonized by the manufacturing sectors of this world, the McGuffies, i.e. Inter-American Development Bank, and the World Bank. They are now telling him what he can do to employ people in Barbados. I share the view that there is going to be 15,000 jobs lost. These people are looking for the exports from their countries to come in here free. Trinidad refused to accept this as a condition and we should too and, if necessary, sell our assets and tell them to go back where they came from and that we will manage our own affairs. I share Senator Alleyne's views that we can manage our own affairs if they are done properly without political interference.

Too subjective an attitude was taken from the beginning when the storm warning arrived, much too subjective. Had an objective attitude been taken, it is my opinion that with prudent management and a stop of the hemorrhage of overspending as he so brilliantly elaborated and enunciated would have saved us. As I said, three disposals would have done it and nobody can tell me that the three of those places could not be disposed of, Sir, easily and quickly and get the main foreign currency.

Sir, I want to refer to a remark that Senator Lewis made earlier this morning. I have never refrained from putting my shoulder to the wheel for this country and I would do it again but the wheel has got to be a fair wheel. Everybody wants a fair wheel and an equally fair road to drive on. I will make my point, Sir. We had a meeting in

this Senate a night to pass certain legislation referring to BCCI for the Government to take certain procedures which were necessary and which we all voted for. As I went downstairs, there were six Senators at the bottom of the steps. I exchanged a couple of pleasantries and went to my vehicle and got in it. When I came back across the yard, I stopped and lowered the window and said, "Well, this is the happiest Senate meeting that I have ever been to." I think it was Senator Alleyne who said, "Yes, I know why because you only spent two hours." I said, "No, I passed there just now in the yard and saw three loads of blocks and they looked like Ready-Mix blocks. I am glad to see that the Government is buying them from me."

I had the uncomfortable situation to sit down in front of eight Inter-American Development Bank personnel here to review our economy and to hear a fellow Senator relate the story. He said when "Cow" rolled up the window and drove off that one of the Government Ministers said, "You see that. It is time we took that from him and give it to somebody else." Now under those circumstances, Mr. Acting President, how does Senator Lewis expect me to put this shoulder up when that is the attitude? The name of the game is confidence. There is nothing that has happened in Barbados and we are not too far in anyway that Barbadians cannot help and bring themselves out of it. I agree with the two Senators on my right that our resilience is terrific, but everybody must have a fair chance and must be rewarded according to their effort. If the Public Service were awarded according to effort as Senator Alleyne remarked and not increments across the board, you would see the difference.

I want you, Mr. Acting President, to put yourself in my shoes and tell me how you would feel when that remark came back to you, because nobody gave me Ready-Mix. My first effort into it was forty-four thousand dollars and I borrowed all. Today, yes, I own seventy per cent but I worked for it. I do not know why somebody would want to take it from me.

Sir, I still say that I cannot and will not support this Bill. Yes, Sir, Senator Lewis is right. Barbadians have gone wild with champagne taste and we know that does not mean drinking a bottle of champagne. But the Government has gone wild in the last three years with Dom Perignon. That is the best champagne there is. When we indulge in it, somebody has got to pay. As we know well, the birds come home to roost.

I am saying, Sir, that firstly the politicians of this country need to follow two examples and I am not going far back, I am talking about today and yesterday, to put the good of this country above the political gain and above the fact that they may get voted out. The classic examples that I refer to, Sir, and with tremendous admiration, although I have been on the opposite side of the table of one of them on many occasions and have been infuriated, but he was

doing what he thought was right and I was doing what I thought was right, is Senator Trotman's attitude. He stood up for what he thought was right regardless of what the circumstances were. This afternoon in here we heard what I personally consider a brilliant analytical evaluation of what happened in Barbados in the last fifteen years, not five or ten but fifteen years. He is right, Sir, and maybe more. It is since 1966 and he is right – where the desire for power transcended all of the desire for a better Barbados. 12.50 p.m.

Sir, when I said we were subjective I meant it. We could be objective, and I will give you a couple of incidents. Do you think it is right that Barbadians, or people coming here from abroad, should be coming here in what is now known as the biggest tourist dollar in the world, in ships, and getting off those ships and walking between carts being pulled with lumber, tractors, fork lift trucks, every sort of thing in the Bridgetown harbour? A little objectivity would have said to this Government that instead of building the monstrosity at Sherbourne a cruise ship facility could have been put at Heywoods or at Speightstown, and instead of two out of the seven restaurants at Heywoods being opened, all would be open all day long. That \$40 million could have gone down there and it would be earning money today, and it could be sold. If the Government was objective enough, they would have put it out to private enterprise to build it. That is what I would tell Senator Lewis, I would put my shoulder behind.

This year in Cayman there was a fishing tournament. They are no different, they are in the same Atlantic as we are. The Government put up a million dollar tournament there and they estimate it brought in \$18 million in revenue. There is one that is held in Barbados for three days. The same people Dr. Alleyne was referring to just now, the ones who are not educated as to what is good for Barbados, certain Customs people saw it fit to stop boats that were coming into the tournament even coming out of the port to go to the tournament. They did not see the wisdom in the fact that the people were bringing in foreign exchange and that they were all Americans. As far as they were concerned, it was not anything that was beneficial to Barbados, so they were finished with that.

These are the kinds of things we have to do by vision and get Barbados from where it is today. Capital flight out of this island, referred to by Dr. Alleyne, I believe, is due to mouthings in the main by politicians who put their mouth in gear before they put their brain in gear and we are now reaping the whirlwind of it.

Sir, again I am delighted to hear Senator Lewis say that our Prime Minister and Minister of Finance is going to review this recolonisation of us at page 35. I sincerely hope that it is with all expediency in this world that he does it. I am telling you now that the law which was passed yesterday in the Other Place means an additional expense

to the Pine Hill Dairy of \$350,000 a month, without the extra cost of cartons, and cartons will be taxed too, according to it, and that is coming on later on. I do not know how much will be passed on. The Pine Hill Dairy is making an average now of \$180,000 to \$200,000 a month, so that means it is wiped out and gone into deficit immediately. One might say raise the prices, but how can you raise the prices when Trinidad and St. Vincent can ship the same goods in here without paying these taxes in their own countries that we are being called to pay? They do not pay these taxes in their own countries, so how can we compete?

Trinidad has been in the market through the whole Caribbean. Contractors are eating up every contract and supplying aggregate, blocks, everything to the other West Indian islands. In the last three months this has stopped, because apparently business has picked up there, but they were allowed to go to Point Lisas and load their materials themselves and pay a very nominal sum to compete so as to bring in the foreign exchange. When I made that application here to try and compete with them, the Port Manager asked if I wanted to make more money and he said they want to make some too, so what is the attitude? I have an order now for 2,000 eight inch blocks in St. Lucia. You work it out at \$2.50 a block and see what it means. That is one month, Sir, and I cannot get anything out of a reasonable sum. If the barge comes into the Flour Mill, we tie it up, we take a fork lift and put on the blocks or the aggregate, we untie it and we carry it out. We get charged for R.S. & D, receive and store and whatever it is. We get charged for stevedoring. Not a stevedore comes close there. Every sort of thing we get charged for. As Senator Alleyne said, the 1990s are on us.

I congratulate Senator Lewis for going public the other night and telling the public sector and the employees in the Ministry of Agriculture that they have to wake up and face reality. Nobody owes us a living. I was delighted when I heard him. That would encourage me to put my shoulder to it, but things like that have to have some sort of vision. Somehow we must find a means of educating Barbadians that we are really and truly a service nation and that our service is going to depend on it, if we live or not, because page 35 tells me that the manufacturers of this world and the big maguffins are saying: "Get out of manufacturing, buy from us. When we send people down there you can give them some rum punch, but do not come back to us for anything." They want getting out of this island. Let us handle our own affairs, let us sell what we have and raise our own money.

Sir, I crave your indulgence to tell Senator Lewis that the Barbados Pine Hill Dairy and Agro Processing will die immediately and that every effort should be made to save them. These two companies are the leaders in diversification, and diversification that will mean meaningful participation by more people in ownership of

product in Barbados. Sugar cane is as dead as a dodo. If they did not have Guyanese this year to reap it they would not finish the crop, and now that they do not want our dollar I do not know if they will want to stay here any more. I think that some means should be made where we educate those people in decision making to understand that when you go fishing you put bait on a hook to catch something that is bigger, but you have to buy the bait to put on the hook. Their attitude is, we do not want anything, run a free hook and see if something will stick on. If it sticks on, you are lucky. They do not understand it, Sir.

I had an example of it when Senator Lewis was made Minister of Agriculture. We had gates in the dairy that no matter what you made them of in Barbados they would rust out in three or four months. We are the biggest manufacturers of steel works in Barbados and I went to England and saw gates that were made, they punched holes in them, immersed them in galvanise so it would go inside and outside. I applied for a permit, brought them in here and they spent nine months in the port because the Permanent Secretary determined that they could be made in Barbados. Here was I, the person who could make them, bringing them in and until I went to Senator Lewis, thankfully, and explained the situation to him, I could not get them in. I did get them in in 24 hours. We want more of that, Sir. We must develop an attitude, and it must be led by the politicians, to realise that to make money and make ourselves better we have to give up certain things. 1.00 p.m.

When I heard someone say, and I heard it on a platform. "When you go on the beach, take up sand. When you go in the sea, splash up the water. This is we country. Anybody coming in here and they do not like it, let them go along about their business." It is eating us today, Sir. We are reaping the flowers of those seeds we sowed then. Barbados is not the only destination that people can go to and enjoy themselves. They love it. They will come back but they have to feel comfortable. The name of the game as I said is confidence.

Sir, I am going to get a little personal now and get close to the heart. I want Senator Walkes to give me some support. I find it hard to come in here and vote to reduce a man's salary, even though I agree with Senator Alleyne that there are too many people over-paid, or they do not perform and they are paid more than what they really are worth. When you can tell me this – and I am going to mention just five projects – the Oistins Post Office, the Dover Convention Centre, the Sherbourne Centre, the Barbados National Bank in Bridgetown and the bridges on Highway 2A cost this country \$4 million in foreign exchange and all could have been made here by Barbadians. Barbadians had the best prices. They were told that the delivery was too late. They could not collect the delivery. Our delivery for Sherbourne was August 1989. It is not finished yet. All the steel has not been delivered yet.

Do you know what is terribly disturbing, Sir? The project manager/consultant on some of these employed by the Government has a signatory on the cheque book of the overseas company to disburse money locally. Sir, one of these days I am going to bring it in here and make it a document of the House.

My attitude is, whether they cut it, raise it, or whatever, the \$7 000 or whatever they give me for allowance, I would give the people of Structural Systems because they have been unfaithful out of those jobs for no other reason than selfish greed. You tell me how you can be fair to a man, tell him you are going to cut his salary when you yourself have wasted money.

Everyone knows that our Port is very expensive. Yet we can compete in the open market, not as good as we used to before Trinidad devalued but we can still compete. Thirty percent of our product is exported but our base is local and when you turn around and saddle us with 40% and 50% on our raw materials, how can we have a base anymore, Sir? It disappears overnight.

Sir, I have given you reasons why I find it impossible to support it. Although it is late and I admire some of the things that have been done, I find it absolutely impossible to support the Budget because I think too much delay was made. I would like to encourage our Prime Minister to stand clearly on his two feet and do what Senator Alleyne says, invite the private sector in there as equals and say "Now, gentlemen, tell me what you all propose for this. We are two equals. How do you see us getting out of this morass? Let us sit down and devise a plan." I am sure that in two months' time we could tell these colonialists to go home.

Mr. ACTING PRESIDENT: Senator Williams, you have two more minutes.

SENATOR C. O. WILLIAMS: Sir, I do not know even if I can last that long. But I do encourage all Barbadians, and in particular the politicians, to be cognisant of the fact that when they are expounding their theories, that the world is a village and word goes out. In one of these Chambers I remember seeing on T.V. a Minister of Government telling the World Bank that they can take their money and put it where the monkey put the nuts. Those things go back to Washington. Do not fool yourself, Sir.

You cannot tell me to cut the public servants' wages when our Government collectively decided to refuse \$6 million from the World Bank and build a road on their own. That money is money that was lost. Highway 2A now cannot even be built because we broke the rules. We did what was wrong and now we have to crawl to the World Bank instead of going there like what we were, a powerful,

strong nation. Mr. Errol Walton Barrow must be spinning in his grave, not turning, Sir. He would have kicked these people out of in here in two minutes.

We have to spend as we earn. Study that first. I hope sincerely that Senator Alleyne's speech is recorded and given to every 28 of the politicians to read. It could not be more accurate and analytical of the situation in Barbados today.

I thank you, Sir.

#### SUSPENSION OF SITTING

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I beg to move that the sitting be suspended until 2.00 p.m.

*The question that the sitting be suspended until 2.00 p.m. was put to the Senate and agreed to and Mr. ACTING PRESIDENT suspended the sitting accordingly. 1.05 p.m.*

#### RESUMPTION

Mr. ACTING PRESIDENT: This sitting is resumed.

SENATOR M. A. MOTTLEY: Mr. Acting President, I am of this generation. I have fortunately inherited the legacies of those who valiantly fought in 1937 and those who strove in the fifties and sixties and the seventies and even the eighties to build this country. I have benefited from being born into a land that became independent thirteen months after my birth and I was brought up with a sense of pride in this country and indeed in anything regional. I was brought up with the words of our National Anthem bred into my soul, my being, my skin, the words that talk about our having a pride which is sprung ... a pride of which we make no wanton boast; and I was brought up to accept that all that we do together as a people should show that we always strive to ensure that we build upon the legacies of those before us and in my case of those who went before those in 1937. And, indeed, that what is expected of us is to build upon that for those to come. The words once again of the National Anthem – strict guardians of our heritage, firm craftsmen of our fate.

There is a whole generation of Barbadians, I believe, like myself, born basically in the post independence years who are now at the stages of their lives when they too seek –

1. to make the contribution to their country as is their duty, and
2. to be able to make their lives something of which they are proud and of which their children, indeed,

later can be proud, but to be built for themselves as well.

Sir, I have spent the last four to five days most exclusively in the other place listening (and indeed in here today) and I have found it very difficult to be anything other than being very dismayed ... Senator Clarke looked at me during the luncheon period and asked why I was so pensive. Indeed, Sir, when I consider that we are now witnessing the changing guard in terms of cultures, in terms of values, in terms of institutions, in terms of people – we see the Barbados Workers' Union in its fiftieth year about to go into a new era of leadership with a generation of people who were not there in the thirties and the forties; we see, Sir, a re-ordering of our political culture and anybody who participated in the last general elections and indeed either participated or was involved or paid attention to politics in this country prior to that would agree that we see a re-ordering of our political culture. There are different demands, there are styles that are being required of politicians in this country.

The accountability, Sir, I submit, is far greater than perhaps it ever has been in the past in this country and that has come with development; that has come with education of a population; that has come with inflows of other cultural values. It has come for a number of reasons. But, Sir, in the whole re-ordering we see also a need for a re-indexing and re-ordering of our productive sectors and while we must maintain the status quo to keep the foreign exchange coming in, Sir, I believe the time has come, (as Owen Arthur would put it) to reassess our development strategy.

While all of this is happening, Sir (and indeed we have foreseen it and we have contemplated it) the one thing that I never had to contemplate was that I would feel that my psyche as a Barbadian was being assaulted, or that indeed I would feel that my future, my belief in the rule of law, my belief, Sir, in credibility and confidence would be mortgaged away for an indefinite term. Because, Sir, when you start to deal with matters that are not realistic and tangible, like psyche and hope and confidence, you have no way of knowing, Sir, when it can be rebuilt, because it certainly cannot be rebuilt overnight. Therefore, Sir, when I say that my psyche as a Barbadian has been assaulted, Sir... I feel that in this generation we have been told now (and though we have not necessarily been told in the frankest of terms, the facts are there for all those who can read and understand and listen) that the stability of this country that has boasted of stability for nigh over three hundred years, Sir, is now facing a different set of parameters within which it must exist.

Sir, I am not ashamed to say that when I was in the other place last night and the vote was taken on the measures before us now, Sir, tears came to my eyes. When

tears came to my eyes, Sir, I was not thinking of Barbados Labour Party or Democratic Labour Party, Sir. I was thinking, Sir, that what right and however unfair or fair or however justified or unjustified it is, what right is there for the hope and the confidence of the younger members of this society, in particular, Sir, for it, Sir, to be assaulted in the manner in which it is being assaulted. I say so, for this reason, Sir. We agree that Barbados is in trouble, its economy is in trouble. I submit to you, Sir, that if we were to look at this objectively without partisan consideration (and I would commend Senator Alleyne in here this morning for his ability to do so) and as Senator Williams said, because I will tell you when other tears came to my eyes yesterday when I heard Mr. Leroy Trotman speak, that has retained in my head a real hope...

Sir, I say this because I honestly believe, putting aside partisan considerations, in looking at the facts, in reading material available to me – whether it is in the form of books and articles relating to the International Monetary Fund, relating to third world debt, relating to developing economies and relating, Sir, to economics in general – that I have no confidence that the measures being put before us, Sir, will do anything more than give us pain without hope of recovery; that the suffering it will cause among the people of this country, particularly ... (and I, Sir, deal with the physical suffering at this point and stage – the loss of jobs, the social dislocation, Sir) these things are going to wreak even more havoc on the psyche of this country.

I have always said over the last few years that Barbados has suffered a serious psychological blow between 1985 and 1987 when two men who towered over this country passed away and we seem, not as a country, to be able to appreciate that they are no longer here. The further damage to our psyche will come when people who at this time, when calls of patriotism – some may be very sincere – Sir, are being made, but made on a premise that this is the plan to get us out of where we are, Sir.  
2.20 p.m.

Sir, do not toy with the people of this country and the minds again. Damage has already been done, Sir, and to do it any further is going to wreak a greater havoc than the loss of jobs. Sir, we have seen an attempt by the Prime Minister and the Minister of Finance of this country, Sir, to say that he believes that a pay cut imposed upon 25,000 public workers, that a rise in interest rates that has already occurred, that the removal of concessions from the agricultural and manufacturing sectors in this country which will lead not only to job losses (and I hope the unions will address that point, Sir, as well) and also price increases of an inordinate amount, Sir, that these are the policies which he says will take us out of here. Sir, with all the best will in the world unless each and every Barbadian and particularly the productive sectors are able to assist the Prime Minister in this task, there is no way that we can

pass any performance test at the end of December this year, Sir, which is 90 days or so away.

Sir, the pattern is there. If you do not pass the test, the IMF will look at you and they will tell you that you have had your turn and you have had your say. Now it is time for ours. Anybody who studies the patterns of the IMF will know that, while they have moved away from devaluation as a condition precedent to a programme, they usually and more often than not include a clause for an active and flexible exchange rate. Because they believe that every commodity in an economy must find its own value and money is a commodity just as labour is.

Sir, I am not sure what policy the Prime Minister is seeking to achieve, but if it is an incomes policy that he is seeking to achieve by having this Bill pass through both Houses, any economist will tell you again that an incomes policy will not work where it is only restricted to 25 per cent of the work force. Sir, at no stage has the Prime Minister said to the private sector, in public at least, or certainly they have not communicated that that is what they understand from him that it is this incomes policy or indeed to the unions, because the unions quite justifiably will ask that the prices policy be attached to any incomes policy. None of this has occurred, Sir. Therefore, when I say to you that I have no confidence in these measures and while I look and complain and feel assaulted by the measures that were laid in Parliament on Tuesday, I am even more horrified of December 31st of this year.

Sir, I have as much of a right as every young Barbadian to have opportunity and hope in this country. Senator Walcott spoke this morning and at the end of her speech before she sat, she said something which the majority of Barbadians out there still believe, that she is supporting these measures because it was an alternative to devaluation. I pray that the people in Barbados will understand that if we fail the performance test the IMF will have their way. If we look at the copies of the Budget, Sir, that have been supplied to us and I took pains to watch a recording of that speech that I had at home last night and to match it with the copy of the speech that the Parliament of this country supplied to me, on page 24 the following words – I will make this a document of the Senate if it has not already been done so – "Since Barbados would have to adopt a defensive devaluation if the package of policies contained in the programme do not succeed in correcting the problem in the external accounts, the devaluation option has not been included in the current package."

Sir, those words were not read out by the Prime Minister of this country. Therefore, when accusations that he has been less than candid at this level are made one wonders whether they are not true, because certainly this is telling us that if the measures that are before us today do not work, Sir, that this is what faces us. I say do not assault the psyche of the people of this country anymore.

Do not under any guise of some patriotism, however sincere it may be, flirt with our hope, confidence, and patriotism. It is unfair.

Sir, we have people in this country who prior to these Budgetary Proposals were struggling to make ends meet. We have called on the Prime Minister for the last three years to establish a basket of goods of basic food items and necessities to exempt them from consumption taxes so that those people who were having difficulty purchasing, from the pensioners back down...The majority of them are women, Sir. They should be the recipients, therefore, of these concessionary rates of taxes or exemption of taxes on basic food items. Sir, he did not do it then, but if ever he should have done it, it should be done now.

When you cut back peoples' salary, when you threaten the security of peoples' jobs by a wholesale assault and murder upon the manufacturing sector and the agricultural sector of this country and, indeed, threatening the viability of the tourism sector in this country by increasing their cost of operating, and when you take that and compound that with increased interest rates, and you compound that with the Water Authority who says that they are increasing their rates, and you compound that with the increase consumption taxes on fuel oil for electricity and gasoline for transportation, and on any goods that require transportation that is going up too, Sir, what are you saying to the people of this country? How can they survive, Sir? This is no longer a matter of politics. I agree. This is a matter of a survival of the body and more importantly, Sir, a spiritual and psychological survival. Because all of you in here agree, whether you have done it on the floor in this Honourable Chamber or outside of this floor, that we can do it and we can come out of this. Sir, you require the people's cooperation. You require their mind to be mentally prepared and, when a man or woman is suffering to feed himself and to make ends meet or keep the house, you cannot get the preparation. When you seek through an incomes policy that is not even complete to shift the burden of adjustment in this country from capital to labour and to the workers of this country, and then in the same breath you are going to look at them and tell them, please increase your productivity, who are you dealing with, Sir? I am saying to operate like human beings. That is why I say, Sir, when I see these measures come before us I know they are paying without hope of recovery. They have been described as killers and murderers and all of that, but I am not dealing with that, Sir. I am dealing with my future and the future of other people in this country who want a chance to contribute, benefit, and participate.

What example is being set, Sir? I hope that the trade unions in this country will all look at Leroy Trotman because I believe that history will show that if we had a

few more Leroy Trotmans and people who are prepared to stand on the point of principle, we would be better off. Do not tell me anything about partisan politics now at this stage. I believe that no political party should be involved in any trade union in this country. I will resist any measure on the part of the Barbados Labour Party to involve themselves in a trade union in this country.

Sir, we are a maturing country. Sir, it is unfortunate that Senator Walkes can only talk in here when it comes to trivial matters. I would like to hear Senator Walkes talk today on the whole question of the unions and the workers' rights of this country.

Mr. ACTING PRESIDENT: Address the Chair please.

SENATOR Miss M. A. MOTTLEY: I am so sorry, Sir. It is important for her to cast aspersions as a representative and indeed the only representative of the union movement in this Chamber at this point in time in her seat.

Mr. ACTING PRESIDENT: Senator Mottley, forget about Senator Walkes and address yourself to the matter.

SENATOR Miss M. A. MOTTLEY: Yes Sir, I am dealing with the question of trade unions.  
2.30 p.m.

It is important for a voice to be raised in support of measures that can only be described as anti-worker. These measures not only breach the Constitution, as the Honourable Senator Barker has shown. Not only are we being asked to deal with measures that we know are in contravention of the Constitution in here, and that, too, relates to the destruction of my psyche, because I am being asked as a young person to come in here and support measures that are in contravention of something that people fought for in 1966, that is supposed to be the bedrock of our loyalty and our beliefs in this country, and is supposed to be the protection for all of us.

Sir, I am a young person. Most of the people in here have children or grandchildren. Think about them, think about their ability to participate in this country in the same manner that you were given the right to participate in this country. Think about their ability to be able to have confidence and belief in what is going on. I want everybody who votes for these measures to remember the IMF at the end of December, because if the truth be told in this country today, if what is being said in private by everybody is said in public by everybody, it is that the

most destabilising factor in this country is the absence of confidence in the Prime Minister and the Minister of Finance. If we are men or women enough to examine the situation we will know that that is the case.

Sir, this is a Minister of Finance who, on 7th January this year at Hothersal Turning, told the people "I want to reject categorically any suggestion or any imputation or any hint that there is any proposal on the part of the Democratic Labour Party to lay off 4,000 civil servants in this country, or any such number." He went on to say: "It is a downright untruth and it is a scare tactic." Sir, not even a year has gone. When the Minister of Health told this country that there were cuts on St. Joseph Hospital in December because they knew that the budget could not handle it, I submit that they knew this economy was in trouble and they also knew, if they had any understanding, as Senator Alleyne clearly knows, through his speech today and his analysis of the figures, that when the Government sector expands at the level at which it did, particularly in the last financial year, you were in serious trouble.

They knew of the Japanese loan before January this year. It has to do with credibility, it has to do with building confidence. When in this Manifesto, which they have now so clearly departed from and this has been made a document of this Honourable Chamber already – on page 8

#### "What Can We Cut?"

1. To cut the largest expenditure items (wages and salaries) is to create more unemployment, and create conditions more conducive to crime and other social ills which will undermine our economic and political stability. It is simply not true that the private sector, in its current state, has the capacity and the ability to absorb the persons who will be laid off by the Government, if large scale retrenchment is pursued."

What is that telling us, Sir? Have they now once again abandoned this Manifesto? They certainly would have known of the conditions in this country prior to that. Are they now telling us it is not that they have abandoned it, but they accept that there will be great unemployment, social ills and economic and political instability? When they cut the concessions from the private sector, are they further removing the ability from the private sector to absorb jobs from the public sector? Sir, all of these go to one end and I say to you that you have a situation where the Prime Minister is appealing to people under a sense of patriotism and is not being frank with them, and innocent people out of a love for this country are believing him.

The absence of confidence in him is the most destabilising factor in this country today. The Democratic Labour Party knows it, the Barbados Labour Party knows it, but more importantly, Sir, every Barbadian knows it by their inability to invest in this country, or their refusal thereto, at this point in time. And what is his attitude? I had the misfortune to sit down last night and hear him say: "Like it or lump it." Most Senators in here have come from backgrounds of reasonably scarce means and all have had the chance, over the last 30 or 40 years, to make something of their lives and to contribute and to benefit. What is so wrong with giving the rest of young Barbados, post Independence Barbados, that same right? What is this all being done for? That is the partisan reason, Sir, that is the reason of putting party before country.

#### *Aside.*

SENATOR Miss M. A. MOTTLEY: Yes, the Barbados Labour Party spent money and did so wrongly in 1981, but Bree St. John stood up like a man in 1986 and refused to let party, political interest or winning an election move him from his position. I want to associate myself with people like that. In our 25th year of independence I am not even going to get a chance in the next ten to 15 years, when we fail this test in December, to see real decision making on the part of Barbadians in this country, because it will go to Washington. Our future is being mortgaged away, our psyche is being assaulted, and whether this is newsworthy, whether this is partisan political – I am speaking from the perspective that for someone who for the last seven days has felt deep, deep pain, Sir, I beg the Prime Minister at this last and late stage, do not go to the International Monetary Fund with these policies. They can offer us no hope of recovery. We have heard numerous alternative measures, Sir, ranging from the national reconstruction bonds to other measures put forward by the Trade Unions who were so viciously assaulted when negotiations were broken off in what they describe as bad faith. I beg the Prime Minister and Minister of Finance in this country to let us save our country from certain havoc, social dislocation and, worst of all, psychological dislocation. He has no moral authority to continue to govern this country, because he cannot command the confidence of the people of this country.

2.40 p.m.

Sir, if he does nothing else, he must listen to the words of Senator Williams this morning who said that he can come and go from in here because he felt that it would be a point of principle. He should also listen to Leroy Trotman. But the time has come for examples to be set, for credibility to be re-instated and for confidence in this country to re-emerge. If you want to talk to me about

patriotism, talk to me about rebuilding confidence in this country.

I thank you, Sir.

SENATOR J. A. F. COLE: Mr. Acting President, I thank you for the opportunity. As I was thinking a little earlier, I now know how years ago Alf Valentine might have felt going out to bat after Weekes, Walcott and Worrell had dispatched the ball all over the place. He must have had a very great complex. I do not intend to speak very long because it would be very difficult not to repeat 80% or 90% of what has been said here today and in the House of Assembly over the last couple of days.

But there are a couple of things I would like to say. First of all, handling these items one by one is very difficult because I think the reason why we have strayed far and wide for the whole day is because they are all intertwined with each other. Therefore, I might tend to stray a little bit. I hope you will bear with me.

I think we are all battling under this great sword of Damocles, devaluation. We have heard options of how we might further put it off. I think going along that line might be very difficult because this whole matter should have been tackled months and months ago. My figure is, perhaps, 30 months ago. I think it is as long ago as that. Many of the things on the Order Paper under "Government Business" I could vote "Yes" for, but a couple of them I cannot.

The particular item we are under, I have great sympathy for the people on fixed salaries who find themselves faced with drastic deductions. The figure of 8% is not a real one. That is just on the surface. It may end up for each of them, perhaps, twice that amount. I would feel great sympathy if that goes through. On the other hand, I would say that much of this Civil Service set up is not a real one. It cannot exist in the real world. It is an artificial situation brought about by politicking over a 30 year period or, perhaps, more.

While action has to be taken, it has to be taken at some time. It seems to me that we are at that point. I have great sympathy for the people who are going to feel the axe. I can understand this because they are going to say to themselves, "Why do we have to pay and take the whole brunt?" They will look at the private sector and say, "Are they taking a cut?" Actually what might really happen by the time we finish today we will find an all-over cut, as Senator Williams has mentioned before. While the private

sector may have had hopes earlier of absorbing some of these displaced people I think it will go the other way now.

It is high time, as we have heard Senator Williams, as well as everybody say, that Government must realise it is a business, certainly and, therefore, it must be more business-like in many areas. The days of largess are no more. The world has changed and our country cannot live like that anymore. We have to make a move.

We have talked about how some of the concessions, which have been removed, would impact on manufacturing on the private side. I cannot see how by removal of concessions which were granted 10, 15 years ago, which, to my mind, is a retrograde step, could help put manufacturing back on its feet in Barbados. I know in introducing the matter Senator Lewis pointed out that the strong would survive, the weak, perhaps, would not, but I believe Senator Straughn will not survive as well. When we say that by removing these concessions which had been given years ago is going to put manufacturing back on its feet is a very hard one to go along with.

I would like to give a short story, Sir. It will not take long. Some time ago a reporter from one of the newspapers rang me at home wanting to know from me how the printing industry was doing in its thrust to export to the extra-regional markets. I explained that, really, while there are certain niche areas that the industry is concentrating on that on a broad front, it is unlikely to do very well because we have to look at the situation.

I told him that we import our raw materials from the manufacturing countries, bring them on a long sea journey to Barbados, they go through not the cheapest port in the West Indies, we eventually get them in our place, we process them by machinery which is not as modern as the rest of the world, our work effect is difficult to compare, we eventually finish the job, we send it back to the port, the port charges insurance etc., a long journey over water, they get back to the developed country and how can we then expect to beat the man who is doing this in developed countries in terms of price, quality and delivery?

I say one more thing, Sir. If you look at our diary, and our company does publish a diary, you will see that there is a list of public holidays and Barbados has 10 or 11. I do not even think it is 12. However, if you look at the USA it is five and a half or, perhaps, six because in the States there is a day called "Presidents' Day". That is not recognised by all the industries. One of these six days is not recognised there by all the industries. The next day I was amazed to see in the paper John Cole said that

Barbados could not compete on the extra-regional market because we had too many bank holidays. However, I take it that the rest of the House, having heard what I said before that would realise what I said was a lot more than that.

There is really another difficulty here. I think Senator Williams said it would destroy manufacturing in Barbados. It certainly would be a *coup de grace* if it does not destroy Barbados. When I talk about the productive sector I am talking about tourism, agriculture, manufacturing, etc. If there was some other area which it had been pointed out to us that the energy which is now expended every day could be diverted, I am sure the manufacturers would like to hear that but we do not, right now, know of that.

As regards the condition we now find ourselves in again it has been said that we had warnings. I think red flags, bells, everything went off but it is my opinion that election was around the corner and maybe the medicine which should have been given would not have made the patient all that happy. In other words, the patient may have been looking at a short term while the doctor was hoping for a long-term thing where he would live for 20 more years. So I see that as a complication in the whole situation which has built up around us.

Another little story, Sir. I was driving over a hill the other day behind a car that was in front of me. The car started to go up the hill. It got slower and slower. Eventually he found himself in first gear in the steepest part of the hill. It was Rendezvous Hill, Sir. By that time the car had regained all of its inertia. It was very difficult to move it off far less getting it to the top of the hill. This is where we are. In other words, we should have changed our gears a lot earlier. We have lost our inertias. We are dead stuck in the hill. Putting your hands to the wheel, is a very nice thing. It is a term I used to use too. I am not sure I put hands. I suppose it does not really matter. But this is what I do at my work place. I think all the hands or the shouldèrs you put now are going to take a long time, a lot of guts and stamina to make money and to get a conviction to get this vehicle to the crest of this hill.

What is the solution? I am not a technocrat but I believe all the solutions the technical people come up with will not work unless the man – I used this term already and Senator Walkes pounced on me – in the street (what I really mean is the salary earner and wage earner) – I am talking about maybe 99% of the people in Barbados – realise that they have to do something about it. I am not saying that you must sideline the people, or sideline the legislation. I am only saying that this is a unique chance for the Barbadian, who has invested his time, money,

effort, put his hand and shoulder to the wheel to do something about it himself. He must be given some form of framework to work in which he can exist. If you withdraw the option out of it, he is not going to last. That must be done.

I think we have to look back and see where we came from. What have we done. We have terrific infrastructural and social systems. We have produced some brilliant lawyers, politicians, and sportsmen. Everything we have done. Right now we have some high-tech plants. We still have some labour intensive businesses going. We have all these things but they all have one thing in common – they will produce long hours, hard work and self-sacrifice. I remember my 16 hour days. I went to England, and people were asking if I went to England to do printing. I did not go to any university, I went to two print shops and I believe I learnt twice as much about printing as I would have learnt in any printing school.

2.50 p.m.

Sir, particularly we talked about the Government expenditure a little earlier, how Government seem to be costing the country more than it should. It reminds me of what I learnt in history years ago. I understand nowadays we don't seem to learn so much about other people's history as before but I learnt about something that happened in the early 1700s, (in 1711) in Britain where a company called the South Sea Company was floated by some merchants in London. The capital of the company was £10 million. I thought when I reached that far in my research that was a huge sum. Within nine years the company had sold shares worth £890 million in 1720. The company then offered to underwrite the public debt of the country it was so small. Wild speculation took place, families sold everything and bought shares; the shares eventually were worth ten times their true value and in an effort to control this thing so it would not get out of hand Parliament put in some legislation just to try and control it. That started people asking questions. This was in the middle of 1720. By November of the same year half of Britain has been wiped out. There was nothing in at all; there was nothing that was one tenth of the value of as much money that had been passed that came back home.

I am not saying that this is a story or an analogy of Barbados but I am saying it was a bubble and we are seeing here a bubble burst and the sad part about it, Sir, you have seen it in Trinidad more so. I think Jamaica and Guyana's case was a little different, but we saw it in Trinidad. We saw people go to work two days a week for ten years and draw \$20 000 and it did not worry them. I spoke with a few, some of whom I could call my friends, but I could not relate to that. They could not understand

why I did not drive the sort of cars they drove and I worked such long hours. Anyhow that is Trinidad.

Sir, I think this bubble has been coming, not without warning, and it has finally burst and the most terrible thing about it all is that if we are not very, very careful our children will have to put it right. That frightens me, because I don't think they will be able to do it.

Sir, I am just saying that while there is a certain amount of urgency about this, that is why we were rushed here – I got my notice at 7.30 this morning. When I came out of the bath it was there, but it should not have been so. This should not have been so and I can't help feeling that the business of politics is the greatest single reason why it is so. I think a lot of Barbadians have got to realise that they will have to make the sacrifices. It is being put to the public servants to face the first ball as it were. I hope they can survive the bowling. Thank you.

SENATOR W. LeR. INNISS: Mr. Acting President, sometimes it takes a crisis to bring a people together, whether it be in a family or be in a nation. We are now in times of crisis and no amount of good words and sweet talking will change that crisis.

Mr. Acting President, if I were in a boat drifting out to sea and it had a hole, I would not stop to worry who put that hole in the boat, I would take my energy to bale out water and get that boat back to the shore. When the boat returned to shore then the skipper would have to answer to me. I would not take the time when I should be baling water to discuss how that hole got in the boat. If I was the skipper I would not be looking to see which of my sailors caused the boat to touch the rock. I would be leading and motivating my men to bale and when I got back to shore, if I was not the one to blame, then my sailors would be answerable to me. I think that is how Barbados should be approaching this crisis. The first thing you must do is appreciate that it is a crisis. I am surprised that some of my people who have had Barbados' money spent on them are trying to make a mockery of crisis and some are trying to make a profit out of crisis.

We have been failed by a large degree by our intellectuals and our professionals. Some of them who ought to know better have been spending their days and nights misleading this country. We know that economics is not an exact science, like physics or chemistry. If economic analysis and reasoning could be what I hear the various economists and pseudo economists saying it is, then the word science should be removed from it entirely. But I don't believe there is anything wrong with economics. I

believe it is wrong with the persons who go around putting a handle on economists somewhere behind them. They are allowing their political persuasion and their political biases to take precedence over their intellectual and professional integrity. That kind of person is absolutely no use to us in Barbados today. We are asking professional people of whatever persuasion to take those skills you have, paid for to a large degree from public funds, and put it to the use of this country.

Not only the economists are to be blamed; my profession must take some of that blame as well. I see people around the place who never read the Constitution of Barbados yet; the *Nation* belongs to them; the *Advocate* belongs to them and they are discussing the Constitution of Barbados. They never read it. We ignore that kind of person. But what grieves me is when persons who should know better join that kind of humbug and nuisance and try to mislead Barbadians as to how to solve our economic problems. It is so simple; get rid of the Prime Minister and all economic problems solved. If that were all that was necessary would not the Party which the Prime Minister happens to lead in this country, would not they be the biggest bunch of failures? History would be very unkind to them, if that was the only thing you had to do, and that would solve our economic problems.

One commentator is even trying to involve into the political situation, persons and institutions in this country which ought to remain above politics. Which Governor-General of any country like Barbados could dissolve a Parliament when a Prime Minister has a majority. Up to last night, or the early hours of this morning, we saw where the majority power lies in the country. Do not liken us to Australia. Australia has an elected Senate which can prevent the Government from working. When legislation passes the Lower House in Australia the Senators can prevent it from working and indeed that is why – I cannot now remember the exact section – but it is in the Australian Constitution which provides that if legislation comes into the Lower House and it comes to the Upper House and they won't pass it the Governor General can dissolve both Houses. You call it a double dissolution. But this Honourable Chamber cannot prevent legislation from passing. The Prime Minister can ask the Governor-General to revoke the appointment of enough persons that he has appointed to ensure that legislation pass if it came to that. If you read the Constitution of Barbados you will see it is so different from the Constitution of Australia. So don't let people mislead us to suggest that a simple political answer is the answer to solving our economic problems.

Then we will get a joke statement to look at Grenada after the coup. When Paul Scoon (if he did) invited the

Americans to come into Grenada he was not using any residual powers that were vested in him. All chaos was in Grenada, there was no Government, no Prime Minister, no Cabinet and the only kind of legitimacy that existed in Grenada was Paul Scoon, himself, the Governor-General. Out of chaos he had to do something because Government must continue in every country. So do not let us trifle with the people of a country by pretending that we are misleading them whether it be economically, historically, politically or anything else.

Mr. Acting President, it would be asking too much in our kind of system to expect that the Opposition forces of this country would come and assist the Government in governing. That is not their function. When a Government is elected, it has to govern and the Opposition is within its rights to try to pull down the Government if it can provided, of course, it uses all legal means of doing so. But the Opposition has to be very careful. If I understand politics in this country and I understand how people think, I do not see any Prime Minister or any Government curling up and playing dead, and saying Opposition please come for this Government. It just is not realistic and it is not going to happen. Therefore, what is the alternative? You are not going to tell the people, "Yes, the Government is right." Because if you think that the Government is wrong it is your duty to show up the Government as well. But you must spend your energy instead of trying to mobilize people to shut down production in this country when we need every ounce of it to tell them how to work.  
3.00 p.m.

I wish the Opposition to put forward their policies. I am not speaking for any DLP, BLP, KLP, or any other kind of P. I have been appointed here as an Independent Senator and I relish my independence and I am going to use my independence. What the Opposition at this time should be doing is when they call upon the Government to resign, as it is their right, they should be showing the alternative policies and spelling them out. If you give us the opportunity, this is what we will do. Now if the Government copies your policy and gets us out of this mess, on the day of reckoning you can show the people the only time that the Government can govern is when they use our policies. If they do not accept your policies and they end up on the rock of destruction, then you can show the people that we gave them all that we could give and they were recalcitrant, they were hard-headed...

SENATOR T. E. BARKER: On a point of order, Sir.

Mr. ACTING PRESIDENT: Senator Barker, you are speaking on a point of order I take it.

SENATOR T. E. BARKER: Yes, Sir, just to tell the Honourable Senator that we in the Opposition have presented in the Lower House two days ago alternative policies.

Mr. ACTING PRESIDENT: Thank you, Senator Barker. Senator Inniss, you may continue.

SENATOR W. LeR. INNISS: Thank you very much, Mr. Acting President. If the Government is strong-headed and they were getting good advice and they would not take it, at the time the Opposition will still have the opportunity to show why they are the ones who should be administering the affairs of this country.

I wish to make it abundantly clear that when I speak of the Opposition parties now or forces I am not speaking only about the official Opposition party of this country. I am speaking about all Opposition parties and persons who believe that the electorate of this country owe certain people the right to enjoy the privilege of being a Prime Minister. Too many people out there are standing up and believe that the only reason why you should change the Government is to make them a Prime Minister or to give jobs of Ministers to people who should go and look for work. I am saying that people are chiding with the electorate of this country too much and it happens throughout these political parties. Come to the people and ask them to give you the opportunity to rule because you will rule and govern in the interest of the people, because you will humble yourself to do what is right in the interest of this country. But nobody owes anybody the honour of being a Prime Minister and say kick out one Prime Minister and put in me because I want to be a Prime Minister. Whoever you are, a Prime Minister is not someone you can buy.

Mr. Acting President, I have heard all kinds of suggestions from every little call-in programme when I am unfortunate enough to listen to one and they make it sound so simple. Sometimes you smile at the answers to our problems today. One goodly gentleman believes that if we export our guava jellies to the Middle East that would be almost a sure way to solve our economic problems. It becomes so simplistic and, while we have to encourage people to speak, we cannot shut them out. We have to take the view from the little simplistic person and the other little person who is simple and put them together and weave a mat or a blanket of ideas to govern this country.

Unfortunately, we find ourselves in this confusion in which we are where we start playing musical chairs. Every five or ten years one set of people do as they like and another five or ten years another set do as they like. Sometimes too often persons who are not prepared to sell their souls to a political party is shut out and kept on the outside and is not allowed to make the kind of contribution which he or she can make. I am not at all assaulting our two party system. But I am saying that as the preacher says, "There is a time for everything under the sun." This time is not a time for politicking whether you are in Government or in Opposition. These are serious times and we have to put our hands and shoulders and our whole being to the wheel to get Barbados out of the mess that it finds itself in now. No matter who has put us there, we ourselves have to get ourselves out of the mess that we are in.

I read in the presentation of the Honourable Prime Minister that he is going to have some kind of committee to monitor the programme which has been put into place. I would suggest that we need more than a committee to monitor the programme. We need a committee of mobilization. We need to mobilize our people to forget party, not in the terms of forsaking your friends or your allegiance but to put things first. Let us put Barbados first.

The doctors have called on the Government to resign. Do not marginalise them because they have called upon the Government to resign. Work with the doctors. You are going to find that now things are tight that many people will be drinking bush teas again. The doctors will find reduced revenue. The committee of mobilization should be urging upon the doctors to hold the fort, assist the poor who will come to you, and not discuss raising your fees because you have fewer people to pay. We know there will be a lot of bush tea drinkers. The committee of mobilization should be touching the accountants and lawyers. I heard one professional man saying, "Well, you know boy things are going to be tight. We are getting fewer people. We have to cut back the fees." That is the kind of person who needs civic education. Do not put all the burden on the few wage earners, the few civil servants, and the few people who cannot get away from it. The committee of mobilization should be out there reasoning with the professional organizations, showing them that if they expect their country to prosper they, too, must bear their share of the burden. Do not make those who come to you pay for those who do not come. We need to ask our professionals of every type, shade, and colour. We have no time for black and white today. We have time for Barbados. If we find them pink or green, they have to put their pennies worth to save Barbados.

I am prepared to pay the price that has to be paid to avoid devaluation of this country. I am not getting involved

in the economic argument today. I will leave that to the experts. We have members of the private sector who will tell us what the measures that are before us will cause in terms of lay-offs, etcetera. It is going to be hard. Many poor people of this country will suffer. Some who are not so poor will suffer. Sometimes you may find that you may be a Bajan millionaire and when things go wrong that is no use to you anywhere else. But there is something which many of us have overlooked. If the Barbados dollar is ever devalued, history is going to be very unkind to anyone whose name can be written as the architect of that devaluation.

3.10 p.m.

I have lived among the Jamaicans in the early days of their devaluation. You become an international economic refugee when your money is devalued. We do not have to look far. I heard some simple Barbadians, who should know better, saying: "We could never get like Jamaica, we could never get like Guyana." It is absurd. The standard of living that was enjoyed by the Jamaican middle class in the 1960s has never been experienced in Barbados. Houses in Jamaica make houses in the United States of America look like cottages. A garage without three cars in a middle class area was a garage that had to be pitied, and fools are saying that we could never become like Jamaica.

I have seen that when a Barbadian takes out his proud Barbadian passport he runs through the Bahamas, because if any Bahamian says the wrong word, he says: "What are you going to the Bahamas for? You fool!" Jamaicans must send and beg for an invitation letter. Jamaicans could not go to the Bahamas unless a Bahamian had sent them a letter of invitation. Right here in Barbados we see the Guyanese people subjected to the greatest humiliation in our own airport. I have a Guyanese friend, a university teacher, who does not even live in Guyana but carries a Guyanese passport. He looked at one of our Immigration Officers and said: "Why are you asking me all these foolish questions and two barefoot American people just passed through and you asked them no questions?" He was insulted because he carried a Guyanese passport. A very senior Civil Servant in Guyana, whose pen makes people move, had to pay for 25 telephone calls from Grantley Adams Airport because he carried a Guyanese passport. Those are the kinds of disadvantages at which you find yourself when you come from a country with a devalued dollar.

You see our Barbadians at the American Embassy today lining up for visas. I myself feel a bit disturbed that the richest country on earth cannot get accommodation that when our citizens want visas they cannot go inside and sit down to get them. I find it humiliating and insulting that at 7 o'clock on mornings Barbadian citizens are out there in a line till the American masters come in to give them a

piece of paper to go and visit God's greatest gift to the world, and take the little foreign exchange we have to spend in America. If and when we are devalued the lines will be longer, the content will be greater and our sisters and cousins will be humiliated and insulted by being turned back from the American Embassy because they will be seen as economic refugees who want to run into America to hide, to leave our professional jobs to be cooks and bus boys in the United States of America, because our dollar has currency nowhere else but in Barbados. It hurts our pride, and that is why I would go along with any measure at all. If the Prime Minister could tell me that even a dose more bitter than this could stop the Barbados dollar from being devalued, I would say: "Take what you want. You have 8% from the Civil Servants, come for 16% from me," if that would mean that the Barbados dollar would not be devalued.

Mr. Acting President, there is so much that we can say at this particular time. I salute the Civil Servants who signed that option form. I believe that some of them signed it out of fear. You do not have to victimise a man for him to feel he is being victimised. Some will honestly believe that if they do not sign they will be victimised, but I am of the opinion that the vast majority signed it because they recognised 8% today is better than 35% tomorrow. They were an easy target.

The ways and means have now to come to us. I understand that I will have to pay some more stabilisation tax. I live in this country, others are bearing the burden and I am prepared to bear the burden. I am saying what will disappoint me is if the burden is brought and at the end of the tunnel there is still no light. That is what would hurt me, but I have no worry going through the tunnel if I expect to find light when I get to the end of that tunnel.

I know it is a great sacrifice. Some Civil Servants, when they work out their salary at the end of each month, if their car tyre goes flat they cannot buy one if they have not budgeted for it. It must be a great sacrifice, but let us hope that their sacrifice is not in vain. If we should disappoint those Civil Servants and let them down today, it is like sending our soldiers out into battle at the front and we sit back in our armchairs and do not send on what is to back them up and then they would have lost their lives in vain.

Now, Sir, we come really to this particular Bill. As I said, this Bill effectively removes part of the purchasing power of the Civil Servants. I have a particular problem with it, and I will say what my problem is. I do not believe, and I speak with all modesty, that there is anyone in Barbados who does as much legal work in industrial relations as I do. It is not trying to be immodest, it is accepted as a fact. If a Statutory Board had asked me to advise it on the reduction of the salaries of its employees, I would have to give it the reasoned legal opinion that I

thought it could not be done. I advise both employers and employees, and when employers come to me and ask me to do something, I always make my case very clear. I will work for you, provided you do not want to do anything that is illegal or immoral. I do not sell political advice, I sell legal advice. If I believe that the course you want me to take will not stand the test of law, your retainer cannot make me change that opinion. When employees come, I operate the same way. If you have done wrong and you have been fired, you have got only what you deserved. I am very sorry, I cannot help you, because this is my own personal opinion and I must live with myself. I cannot be honest with anyone if I am not honest with myself.

My reservation with the Bill is that from the opinions I have ever given, it is not in law the correct thing, legally. I am not getting involved in morals, legally one cannot reduce the salary of an employee. Of course you can argue that when a law is passed in Parliament, the law can save it. I am saying that in my opinion this approach has constitutional repercussions. It would be in my own opinion necessary for an amendment of the constitutional provisions for this particular Act. Therefore, I cannot go against my conscience. My conscience tells me that if this matter were challenged in a court of law it would not stand the test. If it should go to such a court and the Judges thought differently, I would not change my view, but it would be then the law as interpreted by the courts and I would have to abide by it. While I want to make it abundantly clear that I am giving every support to measures to get this economy back on its feet, and the measures and sacrifices which we all have to make, when it comes to my professional integrity, I cannot compromise it and I cannot advise myself differently from how I advise others.

On that ground I find myself unable to support this particular law. While I support all measures that are put in place, and while I am happy and commend the Civil Servants who have volunteered their amounts, those who have not volunteered, I believe that it could very well not come out on the correct side of the fence if there is a constitutional challenge to it. Therefore, I must vote against the Bill on those grounds. But I must tell all Barbadians, this is not the time to get involved in peripheral matters, petty talk or foolish talk. This is the time for all of us to come together.

3.20 p.m.

I was so pleased today, Mr. Acting President, when I heard the speakers around this Table – the kind of speeches that I heard here which convinced me more than ever that people who are convicted, and people who want to see Barbados move forward. I was and am proud to be a Barbadian. If we can get a little less politicking and a little more patriotism in this country, the IMF will be behind us. I wish the country well. I wish that all those

who have made a sacrifice would not have made the sacrifice in vain.

SENATOR Miss Y. V. WALKES: Mr. Acting President, I rise to make my contribution to this measure that is before us and the debate that has been going all day. I want to say clearly that all of us in this Honourable Chamber know that I am a representative of a trade union and, therefore, I may be termed a trade unionist. Furthermore, I sit every day and discuss with workers – I do not like to think of myself as a lecturer but my profession terms me as a tutor – their rights, responsibilities and duties.

I expound to them proudly each day that even if for any reason their job description or job position should be changed, that in no way should their remuneration be lowered – some of you might say cut – or whatever term you might use. Furthermore, this Trade Union Movement to which we belong which covers the masses of people, the base of the power of that Movement is that of collective bargaining.

Mr. Acting President, I want to just draw to the Chamber's attention that the International Confederation for Free Trade Unions, which is recognised worldwide, after World War II defined trade unions – and I am just going to use part of the definition to make my statement clear, that "a trade union is a continuing and permanent democratic organisation voluntarily created by the workers to protect them at their work and to improve the condition of their work through the collective bargaining processes and to seek to better the condition of their lives." And it continues, but I will stop there.

I am saying that if for any reason that collective bargaining process is interfered with within the Trade Union Movement, then it speaks against what I believe in and what I speak to the workers about every day. So when we have heard this discussion during the past few days, all sorts of words have been used to describe the wage cuts that have been placed by the present Government – severe, murderous, extreme – and words of that nature. Therefore, with this kind of extreme suffering that workers will have to go through, and I understand the severe suffering, then I am saying that in no way can any union agree to this cut in wages and without warning to the workers.

But I will go on. This measure has been passed in the Lower House and I want to say to the private sector out there, or any employer, that because this measure has gone on that side that for no reason should they try to follow that type of behaviour in this country because it will not be accepted by the Trade Union Movement in any way.

Mr. Acting President, we all know that the country is going through severe economic times. As a citizen of this country, and as a member of the Democratic Labour Party,

I want to say that I understand that there will be suffering in this country, although I do not agree, and I will not agree, with the wage cuts. But let us just for a moment look at what has been happening to us.

We have gone to the IMF as a country. That is not the first time that we have gone to the IMF. But look at what has happened. In the 1974-76 period under Errol Walton Barrow when there was a world recession, we had that period of turmoil. In 1981 there was another world recession. We had a period of turmoil. In 1991 there is a world recession and we are having a period of turmoil. But look at what has happened to us.

Each time there is a world recession, each time there is a crisis, each time there is turmoil we are going the same route which seems to say to me that we are not improving as a people. I am saying that during the Errol Barrow period, this country had a chance to change its mode of behaviour. In the 1981 period under the Tom Adams administration it had a chance to change that. In 1991 this country has a chance to change that.

Every one of these three leaders, never mind some would want to make the other two predecessors better than the present Prime Minister of this country, has taken that traditional route of going to the IMF or trying to get their way out by cutting Government expenditure. The others cut Government expenditure. They had wage freezes and massive lay-offs. This is a route that we are going now with wage cuts but we have had that. The other measure is to try and ensure that we raise revenue, stop disequilibrium in the society and bring the society to a certain level.

Let me just say that kind of traditional route that we have been taking is not working. It is just stabilising the society on a short-term basis. We have never gone the route of radical reform in this country. What we need and what we can have now is radical reform in this country because never again do I want to see that kind of behaviour that happened yesterday in terms of having wage cuts in this country. Therefore, if a party in this country, at least to my knowledge – and most of you might not agree, I am still pretty young but for what I can remember – can do it in terms of the masses of a mass movement and a mass reform, it is this Democratic Labour Party. That is no light boast.

I am saying from the background of history that in the times, even after adult suffrage, the Barbados Labour Party which ruled at the time, did not understand that there was a need for a mass movement in this country to involve all of the masses. Therefore, they did not appeal to the masses of this country. It was this Democratic Labour Party, never mind who it was under at the time, that brought the masses to understand that they could have a share in the society and that they could be a part of the society. That is where

that education that is now under question for reform came about.

3.30 p.m.

I am saying that this Democratic Labour Party has it in its hands to do it with the help of each and every one of us and none of us should think that we do not have the responsibility to assist in the kind of measures that need to be implemented in this country to assist in the move forward.

Therefore I am saying that if we can even look for a brief moment at the private sector (because I think Mr. Alleyne dealt to a large extent this morning with the public sector) and the kind of measures that can be instituted in that area. Let me say, if we look even at the private sector and let us recognise that this is not a time for stacking away savings, for seeing how much we can make, and if we don't make a grand amount that we are getting very frustrated and we are going to either hike the prices or we are going to send home workers. Because whereas the Government cannot just lay off workers if it wants to cut down its expenditure, the private sector can say I want to cut all of my expenditure and I am going to send home workers or lay them off quite easily. It is a more indepth approach by the Government sector if this is to be done, if you are not talking about just temporary workers who have been on for a little while and even that is a political upheaval and therefore they are answerable to the political force – even sending home the temporary workers.

I am saying this is not a time to stack away earnings and decide that if you are not making a large amount you have now to send home everybody. This is not the time for maybe paying out large dividends or whatever, this is the time for putting those dividends into reserves and ensuring that we maintain jobs. I am calling on the private sector to ensure this. Don't get carried away by measures or concessions that might have been cut from the manufacturing and let that get to the height by being raised to the point that you can no longer hold your balance.

We understand that there might be problems in areas as we go along, but we are not infallible. We will have to look at things to amend certain things. What I am saying is this: Don't get carried away by that and not understand that we have to maintain jobs and that all of us are in this together and when one starts suffering all sorts of problems will be created. I am saying it is a time when we have to look in that direction.

We talk about our attitudes needing to be changed and how we need to educate our people. I am saying that in the times of trouble, in the times of problems, that is the time when we hug, that is the time when we reach out, that is the time when we feel closer to each other, that is the time when you want to cry on each other's shoulders. I want to say that at this time, this is the time to reach into our

children, into our young, into talking to them in depth, into letting them understand what it is to be patriotic, into letting them understand that they can build and become worthwhile citizens, into letting them understand that there is something they can use their own initiative in understanding what they want to be and still that they can have a chance further down the road to build on it. Don't just give up on them and say, "Oh, everything is breaking down; there is nothing for you", like how children say sometimes, "Why am I going to school; there will be no jobs for me when I come out."

Don't let us do that. This is the time when we have to let children understand that school is the beginning of their adult life. It is not the end of their life. It is the beginning of their adult life. It is a time for us to also teach our children how to operate businesses from in the classroom. Not the children who have failed to reach a profitable level in the fifth form. I am not talking about that; I am talking about children who are also academically sharp. Let them understand things about business, about shareholding, how to manage efficiently and effectively and how to understand what it is to initiate businesses that they can feel comfortable in.

I am saying this is the time for our schools and our universities to use the Coles, the Williamses, the David Seales, the James Husbands the Phillips, all of these people who can serve as role models in business to show children what they have gone through and what they have managed to achieve through getting into businesses that they like, or that some of us might be pushed into a particular business but made it profitable for them.

I am also saying that since we have a chance to reshuffle our whole way of thinking we have to start behaving in this way. We have so much land out there that is encumbered. Sell off the land. The ADC has about five per cent of the land in this country, but I am not talking about that necessarily; there are people out there who cannot manage their estates.

What is wrong with the Government that everybody is so afraid, that nobody can get up and speak and radically insist that this happens to our people. Our people have no security; they have no pride in themselves. They have no confidence, because they do not want to see themselves being drilled on by anybody over them. It has nothing to do with whether you are black or white now. It has nothing to do with colour; it is a matter of people saying that they do not want to be under systems, that they have no control of.

I am saying that in the quest and the call for this massive land reform, I know there are lands out there that can be sold off or can be leased to people and get groupings in this country to come together and if they cannot manage at this point get managers from somewhere

and teach people how to manage in the process while the process is going on. It is just not somebody over there talking down to people or hitting them with a whip or standing behind them all the time – people will be involved.

I don't know if any of you have been to Israel, if you have seen the kind of cooperation that those people believe in with their land, but then again their patriotism is beyond anything that I have ever seen. When you are a Jew, if anything happens to you and you come to my house a night I have to open for you. There is no question as to whether you are a criminal or not; you are Jew and you have a place in my country – in Israel. Therefore their concept of cooperation in agriculture and land, and as I have said already, they have made such beautiful gardens out of desert that you cannot believe it – large agricultural land, greener than you can ever think of. They are in cooperatives whether you call them kibbutz whether you call them the group or whatever, the point is that they are in groups and they get themselves together and they ensure that they manage together. What is happening in this country? People do not feel any sense of belonging, nobody has a say to any extent, in large numbers, in terms of the workers of being there and assisting.

Nothing is wrong with sitting on boards; what is wrong with the good minds out there? People are out there who know how to work well. Workers tell me, that they turn away from giving information to managers who tell them how to do the thing incorrectly and they say, "Okay if that is how you want it done, let me do it so then", and they go ahead and do it like that. That is the wrong way. But you see, they are not questioned as to how to do the thing and therefore they are saying to you, "If that is how you feel and you are the boss then yes, I am going to do it that way."

I am saying that the time has come at this time, and none of our leaders took the initiative. The Democratic Labour Party has the chance now to take the initiative. The people are out there reaching out. You heard the views throughout this month that were given in this country, granted some of them may have been a bit rambling or not but the point is, the people are thinking, they are using their analysis, although it may not be at the highest level at every stage. I am saying they want to become involved. This is what they are saying; they are crying out to you to become involved but it must be channeled in the correct areas and they must be motivated in the heights that it is necessary for the kind of involvement that you will see proper positive growth and development.  
3.40 p.m.

I know the time is getting away this evening so do not start to feel too nervous. I am reaching out and crying out to you to understand that this is the time for change and that no longer should we be there being uncomfortable to go into the hands of the IMF or any other organization of

that nature because the IMF, World Bank, and all of them belong to the same people. Some of them sit on the same boards and they decide what they are going to do whenever. I am saying that no longer should we be in that position and there is time for the kind of reform and not the traditional way of sitting down. Prime Minister Sandiford has gone through the same stability that his two predecessors have gone through. We no longer want to see that. We want to see a change that never again we would have this kind of short term measure that would cause us not to understand that even if this cushioned blow right now that there is no way that we should let this continue right down the line and we have to stop this.

I am saying that there are lots of other areas that we can get involved in, but I know that the others are very anxious to get on. I am saying that this whole question of land reform and agriculture need to be looked at and the Minister is here. He has a chance to play a positive and a very definite role to the whole question of land reform. This is not the time for anymore fun. It is a time for seriousness and it is time to get sharp. Do not care how late it is. It is time that we get down to the serious question of somebody working out a strategy as to what we are going to do, how we are going to take it, and how many people will become involved, and how many groups are we going to have, and the kind of management that will be necessary.

We have to get the public to understand that this is their land. They must understand that they have a role and a part to play in this country: Motivation. Get them involved. No longer will you see people out sitting on the streets because they will belong to a little community group. They do not always have to be planting. You do not have to be in the sun. There are things to be marketed and sold. Some people will be in different areas doing different things. Some will be holding the children together. They even keep children in groups and not in a massive day-care centre. But you can have children in little groups coming to houses and they are kept for the day so that the mothers and the fathers can be out there working together. They have a process where you can understand how to manage your house, how you cook in particular areas, and budgeting. All those things are taught. I am saying that we have to get a system where we understand what is going on and that it is not just sitting behind a desk and behaving as though everybody must be a professional. We can no longer behave as though we are great and that is what is happening in this country. Everybody is great.

I have interviewed in this last week about twenty young people and about two or three wanted to be in agriculture. They wanted to go overseas and all of that. Everybody wants to be a research officer. Nobody wanted to do anything practical. I was so upset. Nobody wanted to do anything practical in agriculture. Nobody came to me with anything that you could bite on and say, yes this is a

person that I would like to give this thing to and let them go and assist in this country when they return because it will be something to us.

I am saying this is the kind of thinking. What are we going to do about that thinking? Are we going to continue to play great and get in our cars and drive down the road and behave as though nothing appeals to us? For years now at least for the last three or four years, I kept coming down the road every morning and I was saying to myself, "What is going to happen to this country?" Nobody seems to think that they have to do anything to make it seem to live anymore. Now this is the result of it. Everybody was walking around and thinking that something was going to drop down from heaven and cure our ills. That is why it is necessary for us now that it has fallen on us for us to get a sharp look at what we can do in this country. I am saying that if we do not get back to that land in a real way we are going to be the worse off. We should educate our children even by talking to them and getting them involved and setting up systems for them, and have the role models go out there and talk to them. It is your role to go out there and offer yourselves to give talks to children and to bring them into your place and explain what goes on and how things are done. I am saying that we have that role to play. Furthermore, the workers must be involved in their place of work.

Mr. ACTING PRESIDENT: Senator Walkes, you have two more minutes.

SENATOR Miss Y. V. WALKES: Mr. Acting President, I will end. Let us just understand that we are in this whole thing together and, although we may talk about the areas that we do not like and the areas that offend us, we are saying that this is our land. It must grow and it will grow because we have shown that we have the ability to help. Do not let us just sit down and think that all the political gurus are now going to join the trade union movement because somebody might be stupid enough to think that they are with us. Some of them do not realize that the Barbados Labour Party belongs to the trade union movement and because of certain reasons they are not there any longer, which I will not go into. I am saying that nobody wants anybody to just jump on the trade union bandwagon because they think that it is a political football at this point to be used later on. I am not in here for that. Nobody has to egg me into voting for anything for them. Let me just let them know that. If you all have it in your minds that you can egg me into any position, you cannot.

Mr. Acting President, I do not agree with that measure and I will not support that measure but I am willing to assist in building this country to a meaningful position. Thank you.

SENATOR Mrs. V. C. FRASER: Thank you, Mr. Acting President. I will be very brief on the points that I

want to highlight because many of these have been done. I came in here today with the intention of making known some of the feelings that I have as a Barbadian. I heard one of the Senators saying earlier that a particular person was very grieved and hurt and all this sort of thing. I think what has hurt me over the last few weeks is the way how people have behaved that we have educated in this country not only outside of Parliament but in Parliament. I think it is a disgrace and a shame. I would like many of those people who have claimed that they are so over qualified and they know everything and they are Jesus Christ on the radio and all over the place that they will go and sit down with some of the women in this country who have had eleven children and all of them went to a secondary school. Let her teach them economics, because as far as I am concerned they know absolutely nothing about economics.

I think that we have to look seriously at the whole question of whether we are committed to Barbados or whether we are committed to ourselves. Coming through to me over the last couple of weeks or months has been, "This will effect me. So therefore I cannot do this." If we are living in a country and we are part of the country and we talk about a commitment, then we do not look at ourselves. Put self aside. The whole thing to me has been a selfish exercise. This person playing down the other person on the radio because they have access to it. Somebody is taking a whole lot of time and talking nothing but what I consider is nothing but rubbish. Except if you can assist people in rebuilding, stop being a "Tobiah". Try and help us to rebuild. Where are our educators now? Where have they gone? Why are they not here to give – to form a group, probably a group for national reconstruction, and to give the sort of things that they want to see happen in this country to continue to develop it. No Minister can implement all the agricultural pursuits they are talking about without people. We have to have people up front, people who want to give some time to rebuilding the country. Remember what happened to Japan? They did not sit down and throw up their hands, they rebuilt the country and today it is one of the most prosperous in the world.  
3.50 p.m.

We in Barbados are known to be well educated and hard working. We have gone to the Panama Canal area, we have gone to the United States, we have gone all over the world and we have done well for those countries. How is it now that we cannot get the same people who are coming from above the hill, that we have trained, we have educated out of the same poor people they are talking about, to come back and give an hour free? I heard when some professionals, who were working 21 hours and being paid for 40 hours, were asked if they would give two hours free, they asked what were they going to do. If you are behaving in that way, you have been educated by a country and that is your attitude to the whole thing, how are we going to succeed?

I agree with the other Senators. This is not the time for talking politics or about who did what and who did not do what. I do not care about that. I have a firm commitment that I will make a sacrifice. You are looking at one of the people who signed the form. I made a sacrifice, I have been making sacrifices all my life in this country and I intend to continue to make sacrifices, because this is the place I know, Barbados. I therefore then, Mr. Acting President, would like to call on every right thinking Barbadian to ask like the late Kennedy, "Ask not what my country can do for me, but what I can do for my country." We are hearing a lot of calls for the Prime Minister to go and all this foolishness. I would never have thought that anybody with any kind of claim to education would be so silly as to think that when they call for the Prime Minister to be removed from office that is the solution to all our ills, and it is a panacea to all the weaknesses and the sickness in this society.

Some of us are getting sick. It seems to me that way. Some people are suffering from lapsed memory and others are suffering from amnesia and all sorts of things. I would like to say that when we are told that we are not a caring government, that we do not care for the poor people, who gave the people of this country's children free education from the womb to the tomb, as we always say, in this particular Barbados? Who gave the senior citizens of this country houses to live in, pay their electricity and water bills, take them a daily meal in their homes, who gave them that? Who gives all the welfare grants for uniforms which some people could even ask the video shops to change? That is one of the things we have to look at.

The people who went on a reckless spending spree in this country and decided that they were going to buy right, left and centre and use up foreign exchange are the people who are trying to back off now from doing anything to uplift this country. I am saying to them that they have consciences and they should not be running away from anything that is for the development of this country. I feel strongly that God moves in a mysterious way and all of these people who run away now I say to them you do not run when the crunch is on, this is the time for us to reconstruct whatever is wrong. We are to rebuild like Nehemiah did and I would commend to the San-Ballats and Tobiahs to go and read the Bible and ask the Lord to help Barbados and to guide the Prime Minister. Also, in doing that, commend themselves to either going into the villages and helping some of the people, those who are in agriculture helping some of the people to till the land, show them what to plant and teach them the real things that go into reconstruction in a practical way, because faith without works is dead.

Mr. Acting President, I wanted to express those few views because I know of the constraints of time. Nevertheless, I am happy that there are still some people in this country who are about to make further sacrifices to see

Barbados go forward, and it is my hope that those who are there on the piling of grace will fall in, come right inside and understand that if Barbados is pulled down abroad we all will suffer. If it is pulled down at the local level, we all will suffer.

Thank you very much, Mr. Acting President.

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I would like to acknowledge the very useful contributions made by several Senators on both sides, which I am sure will provide much food for thought, and indeed several of the ideas may well see themselves in implementation in the overall effort which all of us recognise is needed for this country to pull itself from the grasp of the IMF and any of those agencies.

*The question that the Bill be read a second time was put to the Senate and agreed to, the Senate dividing as follows:*

*Ayes:* SENATOR THE HON. L. V. H. LEWIS, SENATOR A. MORRISON, SENATOR Mrs. V. C. FRASER, SENATOR A. J. N. PHILLIPS, SENATOR THE HON. Dr. C. D. CLARKE, SENATOR Dr. F. W. ALLEYNE, SENATOR Mrs. M. BARKER-WELCH, SENATOR Dr. E. A. SIMMONS and SENATOR J. J. PAYNE – 9.

*Noes:* SENATOR Mrs. A. STRAUGHN, SENATOR Mrs. M. WALCOTT, SENATOR W. LeR. INNIS, SENATOR J. A. F. COLE, SENATOR T. E. BARKER and SENATOR Miss M. A. MOTTLEY – 6.

*Abstentions:* SENATOR Miss Y. V. WALKES.

*On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. ACTING PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR J. J. PAYNE in the Chair.*

4.00 p.m.

#### COMMITTEE

Mr. CHAIRMAN: The Senate is in committee.

*Clauses 1 and 2 were called and passed.*

*Clause 3 was called.*

SENATOR Miss M. A. MOTTLEY: Mr. Chairman, just two brief comments on Clause 3. Clause 3 refers to the First Schedule. Included in the First Schedule are a number of officers to whom this Bill is supposed to apply. One of those is the staff of all statutory boards. I would wish, Sir, to register some concern whether indeed it is legal or, at least, fair that statutory boards which are only net contributors to Government's revenue – I am not referring to the kinds of boards that would replace a lot of the

authorities like the Sanitation Authority, the Transport Authority – like the Insurance Corporation of Barbados, the National Petroleum Corporation, the National Bank, whether, indeed, the staff of those institutions should be subjected to a pay cut to reduce Government's fiscal deficit because if you look back at the object of the Bill it says "this Bill is to make provision for a reduction in the emoluments of officers and other employees in the Public Service and related bodies." That question, Sir, must be addressed. I would hope that in addressing it, if necessary, an amendment would be brought to this Bill so that if this Bill becomes an Act it will address that situation.

The second point of concern which I was going to raise under a point of privilege, but I can do so adequately now as it is relevant, is that also included in the First Schedule...

Mr. CHAIRMAN: We are really dealing with Clause 3.

SENATOR Miss M. A. MOTTLEY: I know, Sir. If you follow it, Clause 3 speaks about services referred to in the First Schedule. In the First Schedule, Item 3 says "The President and other Members of the Senate." Therefore, I think that this is particularly relevant and having had discussions with other Honourable Senators in this Chamber, and while, I believe that this point is clear to people, and certainly, Members of this Honourable Chamber will make – and will willingly make contributions in this present programme, if that is the case, in whatever form, I believe that there is something fundamentally wrong when we can be included in this legislation with no option forms having been sent to myself, Senator Barker and a number of other Senators.

Mr. CHAIRMAN: Let me just caution you at this moment because the Bill is now in Committee. When a Bill goes into Committee there is no debate of that nature on the Bill. The time for taking debate of that nature has passed. I am really giving you some indulgence and I would hope you would not stray beyond that.

SENATOR Miss M. A. MOTTLEY: Sir, with all due respect to the Chair. I believe the point is relevant...

Mr. CHAIRMAN: But I have to be guided by the Rules.

SENATOR Miss M. A. MOTTLEY: I am abiding by the Rules, too, Sir, with all due respect. I believe...

Mr. CHAIRMAN: What I am really saying is that if you want to raise the matter in debate, perhaps, you will have to do it at another time because the Rules do not permit debate at this particular stage.

SENATOR Miss M. A. MOTTLEY: Sir, I am not debating. I am making points to Clause 3 of this Bill. If

you wish me, Sir, to raise it under a point of privilege, I would do that but I prefer this because it is directly relevant to Clause 3. It is included under the First Schedule to which Clause 3 refers, Sir.

Mr. CHAIRMAN: When a Bill goes into Committee, debate is limited to addition, subtractions, if you want to make corrections and that sort of thing. If you want to debate the substance of the Bill that has to be done during the second reading.

I am afraid I now have to put the Clause to the vote. The question is...

SENATOR Miss M. A. MOTTLEY: No, No, Sir. With all due respect. I have not completed. You do not know what I am proposing to say, whether I am proposing to amend and to delete certain parts of the First Schedule as it is related to Section 3 and I take serious objection.

Mr. CHAIRMAN: I know you may have strong feelings about the Bill but please do not shout at the Chair.

SENATOR Miss M. A. MOTTLEY: Sir, I am not shouting at the Chair. Shouting is also a level of my voice that is much higher than it is. I have a heavy voice and I am using it, Sir, with all due respect.

SENATOR THE HON. L. V. H. LEWIS: If I, Mr. Chairman, may say that in a fairly oblique fashion in the course of a conversation, the Senator had drawn my attention to concerns about the statutory boards. My own position is that it may well be that the Schedule is far-reaching – that is a personal view I am giving of it – and there may be substantial ground for looking at the statutory boards as they are affected. There are some which may be affected and others may not. I am not trying to make any debate but what I am suggesting, Sir, is that if the Senator is making observations, you can hear the observations but, certainly, unless there is a specific motion to do something, then we can just....

Mr. CHAIRMAN: What I am saying is there is nothing in the Rules which permits me to hear observations at this stage. I must be guided by the Rules, unless, of course, I take advice from the Clerk and have the second reading re-opened and look at it from that stage. I am guided by those Rules. Unfortunately, I am bound by the Rules.

SENATOR Miss M. A. MOTTLEY: Sir, with all due respect. I do not know if I am straying from the Rules....

Mr. CHAIRMAN: Just a minute.

*Asides.*

Mr. CHAIRMAN: The Honourable Senator Mottley may now make her point.

SENATOR Miss M. A. MOTTLEY: Sir, the point in reference to the President and the Honourable Members of the Senate being included there is that my understanding, according to the legislation, provides for payment of money by Members of this Honourable Chamber and that it is an allowance. I clearly wish to make the point that the object of the Bill deals with a reduction of the emoluments and the emolument does not include allowances in that respect.

The second thing is, that having been included, we have a situation where the Members of this Senate and the President have been included as part of the Schedule which this Bill is subjected to without any indication of this responsibility as to whether there was any agreement on the part of Honourable Members in this Senate.

I do think that the legislation just coming so would be unconstitutional on two points (i) that it does not extend for allowances which Honourable Senators in this Chamber receive as opposed to emoluments; and (ii) having not received the consent so to do that is a breach of the rights of Honourable Senators in this Chamber. In the circumstances, Sir, those are the concerns that I wish to raise. I believe it will be out-voted and will only waste time this evening. I hope that due consideration will be had when this Bill becomes legislation.

4.10 p.m.

SENATOR Dr. F. W. ALLEYNE: I believe Senator Lewis understated the point which I was about to make in respect to the First Schedule, but certainly in the case of the Central Bank of Barbados, this is a statutory board but Parliament never determines the emoluments of the Board. I suspect there are one or two other Boards like this.

Mr. CHAIRMAN: Those points are taken.

*The question that Clause 3 stand part of the Bill was put to the Senate and agreed to.*

SENATOR THE HON. L. V. H. LEWIS: I beg to move, Sir, that Clause 4 of the Bill stand part.

SENATOR T. E. BARKER: Mr. Chairman, I have a problem with section 2 of Clause 4. Section 2 of Clause 4 says:

"Notwithstanding anything in any enactment, contract or agreement...." and it goes on to say what it has to say.

Sir, this means that if the National Bank has a contract with the National Union of Public Workers, this Bill frustrates – to use a legal term – and that contract then is no longer in ...

*Asides.*

SENATOR T. E. BARKER: Sir, I have a problem with that. I appreciate I am in an area that I know little about, that is the area of law. It seems to me, Sir, that if two sides have worked out an agreement and a third agency, not privy to all that goes on there ... I don't know about the law, but do they have the right to come in in that contract which was negotiated between the two parties. It is different to the ordinary public servant where the contract which was negotiated between two parties. Parliament set the salaries for the civil service. The salaries for the statutory corporations, I am told ...

*Aside.*

SENATOR T. E. BARKER: Shut him up, Sir, shut him up.

Mr. CHAIRMAN: Just one moment. I believe you are addressing the Chair. Let me just say at this stage that I do not want to appear to be stifling debate on the Bill, but what is really taking place is further debate which is really second reading debate. I think at this stage, unless of course, you want to make some proposal regarding an amendment, a deletion or an addition, something of that nature....

SENATOR T. E. BARKER: Sir, I want to propose that this clause be amended and that where there is in existence a contract between a statutory corporation and a union, that some other method be found. Sir, I would like the Cabinet or whoever to consider it.

*The question that Clause 4 stand part of the Bill was put to the Senate and agreed to.*

*Clauses 5, 6 and 7 were called and passed.*

*The Schedules to the Bill were called and passed.*

*On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. ACTING PRESIDENT resumed the Chair and reported accordingly.*

*On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and was passed and cited as the Public Service Reduction of Emoluments Act, 1991.*

#### EMPLOYMENT LEVY (AMENDMENT) BILL, 1991

*Order No. 2 was called – To move the Second Reading of a Bill to amend the Employment Levy (Amendment) Bill, 1991.*

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, this Bill which seeks to amend the Employment

Levy Act creates the opportunity and facility for the collection of deductions of .5 of one percent, substituting the words 1.0 per cent in the Employment Levy Act and it is to be collected during the period October 1991 to March 1992 and the additional percentage is to be used exclusively for payment of benefits to redundant public employees. It emanates from the earlier discussions, Sir. I beg to move that the Bill be read a second time.

SENATOR T. E. BARKER: Sir, I am told that there was a Cabinet decision in the early 70s that money be set aside in the case of retrenchment. Perhaps, Sir, the Government should use this opportunity to reactivate this Fund because I notice that this particular Bill is only for six months. I have no particular difficulty except that I do not believe that workers should be asked to contribute to their own severance. I believe that the temporary public servants should be granted the same right in law as employers in any private organisation. That severance should apply to them without having to come to Parliament for any supplementary funds. I think that this measure is not really necessary if the Cabinet decision was in fact carried out over the years.

Another point which is related is that this employment levy is now enacted is \$3 100, because allied to this is that the limit for the upper ceiling for National Insurance contributions has increased. I am glad in a sense because I realise that last year, for the first time, National Insurance Scheme has got decreased contributions and added to the fact that they stand to lose about \$2 million this year in lost interest at the BCCI and probably more next year and so on, because we cannot afford the Fund to be in trouble. What I would like to suggest to the Government is that another look be taken at the National Insurance Fund in order to make sure that it may claim solvency, because it is very, very important to the community that the National Insurance Fund is always kept in a viable state. I would just like this opportunity to ask Government to do everything possible including some of the recommendations and reports both on the Unemployment Fund and the Severance Payments Fund be looked at. I think it was about three or four years ago that the Public Accounts Report was laid by the relevant Minister. It is very important for the social stability of the country that the National Insurance Fund be operated in the best possible manner.

4.20 p.m.

That is why I am very disturbed that the officers in the National Insurance Department are going to receive a pay cut. I am sure that the Director would know how difficult it is now going to be to find proper staff for his computing department and other accounting staff given the fact that they are now going to be subject to a pay cut of that nature. Perhaps the Director of Finance should do some hard bargaining. That is all the comments that I have to say on that.

SENATOR Dr. F. W. ALLEYNE: I will be very brief, Mr. Acting President. I do not have a problem with this Bill because the workers who have been laid off will have something to tide them over the period. I just want to respond to one or two comments made by Senator Barker by way of clarification. The difference between the National Insurance Fund and the Unemployment Benefit Fund and the Severance Payments Fund is that we do not have a problem with the National Insurance Fund. That is a very solid fund. The Unemployment Benefit Fund is fairly strong. It still has about \$26 million in assets. All of us know the position of severance. I would like to say that I noticed that Senator Barker made reference to BCCI and the National Insurance and that has been a point of political mischief up and down Barbados since July. I have heard a caller on Wednesday of this week on the *Voice of Barbados* making a statement and asking a question saying that he is reliably informed that a very large sum of money was moved from the Barbados National Bank by the NIS and put in BCCI and he wants to know if a single person can do that. It is fairly clear that it was political mischief they were talking about.

To answer the first part of the question about whether that sum of money was ever moved, it is an unadulterated lie and I am prepared to take before the Courts in Barbados any person who tries to impugn my integrity in relations to any dealings with that NIS. The NIS is not a fly-by-night organisation. All the records are there from 1967 and I am prepared to go to Court whatever it costs me to defend my good name.

They also know, too, that the Cabinet of this country set up a sub-committee to manage the investments of the National Insurance. The Permanent Secretary of the Ministry of Finance is on that committee. A Deputy Governor of the Central Bank of Barbados was on that committee. He does not come now, but a manager from the Central Bank comes. The Deputy Chairman of the National Insurance Board sits on that committee. I sit on that committee not as Chairman of the National Insurance Board. I was elected to sit on that committee by the Board and I am not Chairman because I am the Chairman of the National Insurance Board. I am Chairman because I was elected Chairman by the committee. The Director of National Insurance and the Financial Controller sit in an ex-officio capacity. All this mischief in Barbados about the Chairman of the National Insurance Board taking money and putting into BCCI is a down right lie and an attempt to destroy people's integrity.

I can tell this Honourable Chamber that when in June 1986 the Cabinet of Barbados asked me to become chairman there was a very substantial sum of money we found deposited into BCCI. It did not start with the Democratic Labour Party Government. I am not saying that Senator Barker said that. This Democratic Labour Party Government set out very clearly the guidelines. Cabinet

approved the guidelines for the investment of those funds. In fact, Cabinet tidied up quite a lot of the operations of the National Insurance portfolio because there was a very serious investigation started by the late Errol Barrow and taken forward by the present Prime Minister. I am saying this for people to get the record straight. The records will show, Mr. Acting President, that certainly if you take the last 18 months, the National Insurance Investment Committee has been drawing down their funds from the BCCI. There were times when we would have made bigger draw-downs but we were advised not to do so by the Central Bank of Barbados because we would have caused damage in the financial system.

I want to be very clear on these things because people run about and impugn people's integrity. It is time that this thing stops. People who offer their time for public service should not be rewarded by lies and nasty propaganda. I do not believe in it and I think it should stop. Let me say that the Minister knows and appreciates that the best thing in terms of adjusting the insurable earning ceiling for the National Insurance that this should be done on the advice of the actuary who comes every three years. The actuary is in now and ideally we would have been happier if these adjustments could have come after the actuary's advice. But we understand the emergency situation which we are in.

I can assure this Chamber that the Government of Barbados has spent a lot of money over the last five years in training the staff of National Insurance locally and overseas. We have continuing training programmes going there. I have a feeling that we are better positioned than most departments in Government to deal with this emergency situation. I can assure Senator Barker that the pile up of claims will not derail us. It just means that we will have to try harder. The fact is that National Insurance is not a republic. It is not a matter of bargaining harder than the other departments. I have said already to the staff of National Insurance through the Director that whatever stringencies the rest of the Public Service has to bear the National Insurance has to bear. There will be no circumventing of these new regulations. Thank you, Mr. Acting President.

SENATOR Mrs. A. STRAUGHN: Mr. Acting President, I want to deal with two points regarding the Current Accounts. One is the uses to which the money should be put as an amendment to Cap. 69 administered by the Accountant General and it is exclusively for the payment of benefits to redundant public employees. I think that is highly commendable and the second point which makes it very bearable is the time span. I think that we can live with the six months.

As a general statement in the context of redundancy, I submit that consideration should be given especially in the public sector to those two category of people the

unemployable and the voluntary idle, both of which find their way sometimes into employment agencies into employment sectors. I should like to say that redundancy sometimes in those cases is an extremely useful measure.

Thank you, Mr. Acting President.

*The question that this Bill be now read a second time was put to the Senate and agreed to.*  
4.30 p.m.

*On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and passed and cited at the Employment Levy (Amendment) Act, 1991.*

#### ORDER NO. 3 – THE CONSUMPTION TAX (AMENDMENT) (NO. 2) BILL, 1991

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, we have heard the debate so far today and I believe all five measures before us arise out of that debate, that is, to correct the problems we have in the internal sector of the economy, that is, the fiscal deficit, and also to correct the deficit within the balance of payments.

There are two aspects of the Bill. One is to raise revenue and by so doing reduce the fiscal deficit; the second is to discourage imports of goods and thereby improve our balance of payments position. The revenue raising measure would be a 3% rate applied on all ad valorem rates. This would be for revenue purposes. As a deterrent to, or to discourage imports, we have a 20% surcharge on certain imported items which appear in the Second Schedule. This rate will be applied on the c.i.f. plus duty. Also included in the Bill is a tax on gasoline and diesel which will be increased by 11 cents per litre, while that on fuel oil will be increased by five cents per litre.

The measure really seeks to (1) raise revenue and hence reduce the fiscal deficit, and (2) to reduce demand for imports and help us thereby to improve our balance of trade position.

I beg to move that this Bill be read a second time.

SENATOR T. E. BARKER: Mr. Acting President, when I spoke on the first Bill I stated that this taxation was unnecessary. I hope that I was convincing in my presentation, in that I showed that the Government needed not to have raised so much money. My view is that this Bill forms part of the general debate in that I think that this increase in the consumption tax is unnecessary, firstly, and secondly, it is counter productive. Thirdly, it will drive up inflation and put the economy further into recession.

Sir, only a few weeks ago we had a debate on the same consumption tax, as I recall, and I said a lot of things then, so I will not go through what I said then because all of us are getting tired, but I will highlight....

SENATOR J. J. PAYNE: On a point of order, Mr. Acting President. I do not think it would be correct for the Honourable Senator to say that we are getting tired. It is still early in the day and I am feeling fresh.

SENATOR T. E. BARKER: I withdraw that statement, Sir, without any hesitation, but I am glad, from a personal level, that Senator Payne is very fresh. He knows that our friendship goes way back, so when he is fresh I am glad.

Anyhow, the point I want to make, is that the high levels of consumption tax are causing distress to the whole economy. If you can remember, Sir, the base rate was 5% in recent times, in 1986, so that within five years the base rate, on which all other rates are calculated, has increased from 5% to 15%. If you look at the Schedule you will see the high level of consumption tax that goods are attracting. What must be said is that consumption tax relates not only to goods which come through the harbour and the airport, but also to locally produced goods like cement blocks and so on. The heavy imposition of this consumption tax, as I showed on the last occasion, always tends to accelerate or increase the rate of inflation, so that this aspect of it is going to be very inflationary, coupled with what we will discuss later on about the removal of stamp duties. It means, therefore, that at a time when Government is illegally taking in 8% of 25% of the work force....

Mr. ACTING PRESIDENT: Senator Barker, you cannot state that Government is illegally taking away anything, you must withdraw that.

SENATOR T. E. BARKER: Sir, I will withdraw it. Government is taking away, in a matter which might be tested in the courts, 8% from 25% of the workers, at a time when we just passed a Bill increasing the National Insurance contributions – I am not sure what the figure is, I did not have time to work it out, but it is about \$30 or \$40 per month for middle income earners – at a time when we just increased the unemployment levy, to saddle them now with higher consumption tax is a little bit too much. I think that when you add up these, the total impact of this IMF measure is going to be at least a 15%, which is obviously going to be devastating, especially since only a few weeks ago we had an increase in interest rates.

I think, Sir, that it is too much to bear. I do not know how I am going to survive. It is going to prove very difficult for me and a lot like me to survive. It is going to be hard when all of these are compounded. Let us look at some details. The tax on gasoline. Every time Government wants money it goes for gasoline and diesel, they always

get hit, as though when you tax gasoline you are just taxing the cars. When you increase the tax on gasoline and diesel, the trucks that carry the food from the harbour to the warehouses, and from the warehouses to the supermarkets, the increased transportation cost is going to translate itself into higher costs of food and other essentials. I repeat what I have said, all of this is because the Government has made an arithmetic miscalculation in deciding how much revenue to raise.

4.40 p.m.

Not only that, Sir. When the .5¢ a litre increase in consumption tax is levied on fuel oil, and I am told that the main user of fuel oil is the Light & Power Company, that is going to send up the fuel surcharge on our electricity bills. Look, Sir, at the damaging effect on tourism.

I said in this Chamber before, and nobody disputed it, because the figure is about right, that 20% of the cost of running a hotel is energy, airconditioning, lights and so on. The energy cost is substantial for the tourist industry. Twenty per cent is very high. Now, we cannot bring tourists here and tell them we have to spend money on fuel. What I am saying is, it may sound slight. You are just putting .5¢ more on to your oil but it is the ripple effect on your vital tourist sector because if we are ever going to get out of this short-term trouble, we would need to have a pretty good winter season. But when you are putting on this additional cost on the tourist industry, it is too much. I am sure that Senator Clarke realises this himself.

Sir, I would like Senator Clarke to inform the Minister that it is too much on the tourist industry at a time when you are increasing the cost by the very same consumption taxes, at a time when you are putting on a 20% surcharge on their liquors and alcohols as we see in the Second Schedule; things like beer, stouts, wines...

*Aside.*

SENATOR T. E. BARKER: I have no problem with alcohol. But we must remember that the tourists who come here consume a fair amount of these beverages. So, Sir, I do not know if it is necessary. I think that Government should rethink the whole consumption tax package again. It is unnecessary, and, as I said, it is going to cause a tremendous impact and further weaken the economy.

Sir, it is all right for us to be talking about taking spending power out of the community. We would agree that you have to take some spending power out because spending power, obviously, finds its way on the balance of payments and cuts them negatively. We know that. But there must be a limit as to how much spending power you take out before the whole economy collapses. When you take out so much spending power, it means that the manufacturers then can sell less because they have less

spending power. When they are selling less there are more lay-offs, so there is a ripple effect.

While there are certain packages of the programme that you may generally support, I cannot support at this time this unnecessary imposition of consumption taxes. It is raising \$20 million, but the effect. It is \$20 million out of our pockets and out of the tourists pockets. The point was made earlier that tourists do not have to come to Barbados. We know that point. There are other places where they can go so we have to be very competitive in the tourist industry. We have high labour costs. Now, we are having high energy costs. The water rates for the hotels are going up. The interest rates have gone up for the hotels and a lot of them depend on overdrafts and so on, so all along, the head industry that we should be trying to protect and stimulate to get it out of its short-term problem, we are imposing more and more costs on them. As you would know, Sir, there is a limit.

I am urging Government to have a look again at this programme. Sir, I would love to sit down with the Minister of Finance at some time. He taught me 27 years ago. I think he taught me well. I would love to repay the compliment. I am very serious. I would love to sit down with him and, probably, if Senator Clarke can arrange it, I would be glad because I think that this measure is unnecessary.

Sir, we are talking about the IMF. If the IMF is going to make us do what we are doing, we are going to end up in a situation just like Jamaica. They went in there in 1977/78. They put on harsh conditions. What happened? Thirteen years later, where is Jamaica? What have they benefited from 13 years' assistance from the IMF? My fear is that 13 years down the line we might be in the same boat. It might be better for us, and I mean this, to seek an alternative, if this is what the IMF is going to make us do. It is going to kill our industry and kill our tourism. It really is a bad package. If this is the best they can come up with, if they can make us do things which are of questionable legality, then we are not benefiting. All that we hear about the IMF, and I am a reluctant convert now to the fact that it is the worst thing that can happen to a country. Every country they went into they messed up. They messed up Ghana, everyone, and I am afraid that if this is what they are making us do, that they are going to mess us up too.

I wish, Sir, that the Government would call in the Opposition, sit them with us, and let us work out an alternative. I am serious. There must be an alternative to this madness. I have seen nothing in the five Bills here which is of any benefit to the country of Barbados and this is one of the worst. There is a toss up between this one and the one that is coming at No. 4 in terms of the most savage, inhuman and most destructive to the economy.

Sir, I am begging. Let us rethink this. The Press has gone. I am not grandstanding because I am serious now. Let us rethink this whole programme because if this is what they are going to make us do, Senator Phillips is in business and he knows that he is going to get wiped out too because people cannot buy lumber now. How are they going to buy lumber when you have increased consumption taxes and decreased spending power? Your company is going to be in trouble. Is a rethink possible? I am begging you? I really cannot support this.

In the interest of Barbados, I would beg Senator Clarke to arrange a meeting with the Prime Minister, and the two of them can sit down – I do not have to be there – but let him voice the concerns of what have been raised in here. Let him tell the Prime Minister how we feel in here about the package and about our country and see if they cannot come out with a programme which would better utilise the collective will of our country. All of us here would want to be party to that because we all stand to lose with this madness.

With those few words, Sir, I want to say that I cannot support this. Thank you.

SENATOR Dr. F. W. ALLEYNE: Mr. Acting President, the Bill to amend the Consumption Tax Act imposes a charge on the consumption of certain commodities. I have some thoughts which I wish to share with this amendment to the Consumption Tax Act as it is likely to affect the productive sectors of the economy, particularly the manufacturing sector and tourism. Let us recognise that there is a problem with the manufacturing sector. There has to be a reason or set of reasons which explain why our indigenous manufacturers are reluctant to export.

I have been trying to look at this problem for quite some time. I am convinced that when our indigenous manufacturers look at the options which are available to them it is more attractive to produce for the domestic than the export market. What is the main reason? If you are exporting, you have to compete with low levels of labour costs in all other parts of the world. It might be Haiti, somewhere in the Philippines or Guyana, although Guyana does not produce much. If you are exporting you have no guaranteed protection. You have to get out in the open field and fight out there. Some of our manufacturers still have a view that if they are going to export they have to have somebody out there looking after their business. Some of them still have that.

4.50 p.m.

The other difficulty which we have to face in exporting, even in CARICOM is that over the last 10 to 15 years our real cost production has risen more rapidly than that of our competitors, which is another way of saying that the real exchange rate of the Barbados dollar has appreciated

*vis-a-vis* those of our CARICOM competitors. All of these things are substantial obstacles, to exporting, even in CARICOM. That is why we have practically lost all our markets in CARICOM.

I invite Honourable Senators to go back when they get the time and reflect on a basket of goods produced in Barbados ten years ago – our partners in the OECS – and see how much goods they had to produce to pay for that same basket of goods which they got from Barbados and you will see in 1981 compared with 1991 what would happen is that if our partners in the OECS wanted to acquire for us the same basket of goods they got in 1981, if they wanted to do in 1991, they would have to provide us with more than the basket of goods which they were providing in 1981 to do it.

In short, that is another way of saying that in terms of trade the trading opportunities have moved against us and in their favour. That is why you find on every shelf in Barbados, goods labelled, made somewhere in CARICOM.

Some people believe the answer to that is to become nationalistic and buy Barbados. I say no. Barbados is too small for that. We have too small a market. The answer to that is to find out what we are good at so that when you see 'made in Barbados' you will know it is the highest quality you are talking about. I have said before, if we can get hold of one tenth of one per cent of world trade in certain areas we would have over employment in Barbados. We have to be able to think big, Mr. Acting President. Let us stop thinking in terms of closing off the Barbadian market and keeping it to ourselves. We would be like little pigs in our sty. It does not make sense.

Barbadians have conquered the world in certain fields of endeavour and West Indians have done it. Frank Worrell was one of the greatest cricketers the world ever knew – Everton Weekes, Clyde Walcott, the whole set of them. If we have done that in that field there is no reason why other manufacturers cannot do it, so I am against this attack. I want fairness. People must not be able to dump things in Barbados when our manufacturers do not have an equal opportunity in their markets. I am very clear on that. By way of a long term strategy up of developing our manufacturing sector it does not make sense to close off ourselves here. We will have a very inefficient production base and we will have nowhere to go.

I have no doubt that we have a bias in our manufacturing sector which is against exporting. That has to be corrected. However, Mr. Acting President, I do not believe the way to correct that is to destroy what we have at present. I have no doubt that if this Bill, in its present form, goes through and it is not modified, you will find that substantial areas of our manufacturing activity will be brought to a halt and those areas which are not brought to a halt will relocate rather quickly.

I have been doing some checks. My information is that there are still substantial, and I emphasise substantial, employers who are not enjoying pioneer status or special concessions which allow them to escape the removal of these concessions. What it does to them, it puts them in a position where they will be required to compete.

SENATOR THE HON Dr. C. D. CLARKE: On a point of order. I believe the Honourable Senator is mixing this up with the stamp duty. The concession which should have been removed were in connection with the stamp duty and not with the consumption tax. It is the other Bill that will be coming up shortly.

SENATOR Dr. F. W. ALLEYNE: The point which I am making is that our manufacturers will be required to compete within this CARICOM region with manufacturers who are not subjected to the kinds of impositions which their counterparts in Barbados are subjected to. That is something we have to be careful about, because what will happen, the very goal which we are trying to achieve, we are going to defeat. You will find some of our plants are going to close down and we will have to buy those very goods. Because a plant closes down this will not mean the demand for those goods is going to disappear. We will have to buy those goods from CARICOM or elsewhere and we will have to use the same foreign exchange, but we will use the foreign exchange on finished goods rather than raw materials. So I would wish to urge a rethinking.

Also, before I leave, let me say that I believe that our manufacturing sector in Barbados needs nothing short of a complete restructuring. A lot of the equipment in the manufacturing sector in Barbados in our plants is outdated. A lot of the technical expertise is also outdated in terms of modern technology and design and so on.

It is very interesting, Mr. Acting President, that there are very few products manufactured in Barbados which carry the stamp of the Barbados National Standards Institution. It is very interesting that very few of them carry that. I believe that the time has come when the Honourable Minister of Trade and Industry should consider making it mandatory for all manufacturers who are exporting goods from Barbados to have to seek the stamp of the BNSI, otherwise the BNSI would have been failing to achieve what they set out to do for the Barbadian manufacturer and the Barbadian people.

The job of overhauling the structure of the manufacturing sector is not something that can be done over night and that is why I have very serious reservations about a piecemeal approach. It is evident it is a piecemeal approach and it is revenue raising. I believe that if you are using fiscal strategy with respect to the manufacturing sector, the primary objective ought not to be revenue raising. It should be shifting producers in a particular direction. I believe that is how it should be.

With respect to tourism, I believe there is good reason to suggest that this amendment will substantially increase the cost of food and beverage in the hotel sector and at a time when we, in Barbados, need to do everything possible to raise the level of occupancy in the hotel sector. Fortunately we have the plant there.

5.00 p.m.

If we are experiencing an average of let us say about a 65 per cent occupancy, it means that we have to spend money on promotion and we should try and get close to 100 per cent occupancy. We should be doing everything to attract more visitors and making it attractive for visitors to come to us and for them to come back, and the increase in cost in the hotel sector of food and beverage certainly will not help that. Also, too, the increase in cost in power in the hotel sector is bound to push up the cost in the hotel industry. Barbados is in a fortunate position because if there is one sector which can respond very rapidly to the foreign exchange crunch which the country is facing it is the hotel industry. That is why I am a bit disappointed that at this time we are cutting the subvention to the Board of Tourism. I believe that everything possible should be done to push tourism because that is the industry which can rescue us. It has rescued us since 1985 and that is the one which still has the capacity to rescue us today.

I would like the Honourable Minister of Trade, Industry and Commerce to say to his Cabinet colleagues that we need to re-think some of these things as they effect industry particularly manufacturing and tourism, because in the final analysis when the stabilisation is complete the important thing is the resurgence of our economy. Unless the productive sectors start to expand, the economy will continue to slip because the foreign exchange earnings cannot be generated unless the productive sectors and particularly the export oriented ones start to expand.

With those words, Mr. Acting President, I wish once again to urge upon the Honourable Minister the urgent need for re-thinking these measures as they impact adversely upon tourism and to a lesser extent the manufacturing sector. Thank you, Sir.

SENATOR J. A. F. COLE: Mr. Acting President, I would like to associate myself with the great majority, if not all, of what Senator Alleyne has just said. I would not try and go over some of the areas that he has covered. But there are one or two points that I would like to make maybe which I do not think came across to me as clearly as I thought they could have.

First of all, I would like to say that I think that items 3 and 4 as far as the manufacturing and tourism are concerned would be much more closely together than they appear here. I suppose as Bills that we have to separate them. But in the real life of the manufacturer and tourist operator it is much of the same thing. Obviously, I have no

quarrel really for my daughter or wife having to pay a higher price for her gasoline. That is no problem. If they would like to bring in another TV, I would encourage them to buy it themselves and pay the higher price. In other words, I have no quarrel with that. Video, no quarrel. You just buy it and pay the higher thing. I am quite happy with those things. But there comes a time, as Senator Alleyne has shown, where the gasoline price is going to impact further down into industry and so on.

I will not call the name, but if I say the local paint company which is one of the newer ones control about 60 per cent you would know which company I am talking about. I was talking with the managing director yesterday and he told me that his company, which has a sister company in Dominica, would produce for the small islands and they would even export into Trinidad. Of course, this was 15 years ago when it was easy to get into Trinidad. What he sees these two Bills doing to his operation is not only cutting his earnings into foreign exchange, that is to say stuff which he would export, but it also means that his sales to the small islands now will not be as easy because the sister company in Dominica will be better placed to penetrate the Barbados market. It will wipe out his local thing and the export area. He will find that he is merely a distributor now for his product. So the child he spun is now going to take over and it will mean dislocations and people will lose their jobs in the productive section of his plant. This is one very graphic illustration and we should see how these things really do work out sometimes.

As regards tourism, of course, it does mean that prices will go up in the tourist thing. I have a hand in that pie as well. I can tell you that in the particular hotel that I am involved in we have a dispute with something called the Tourism Enhancement Fund because this is a fund designed to raise money from hotel rooms sold every night and to be used to publicize Barbados abroad. But we have at our place a problem because we think that the real problem here is not advertising so much as improving the product here at home. So that when we advertise and people come here that they will leave with a good taste in their mouth and not a bad taste, which they will publicize and tell their friends about. Nobody tells people about good news but they tell them about bad experiences. We think a lot of money should be spent in enhancing the product here in Barbados rather than just putting in TV ads or what have you. In any case, research has shown that word of mouth is by far the most effective form of advertising for Barbados and unfortunately the word of mouth that has been going on for the last few years has been very bad. That is another aspect of how this thing will impact. It will make a day's stay in Barbados more expensive and I really do not think that we are doing the right thing to bring people here for them to go away with a bad taste in their mouth. We have got to get that part of it right too.

I am going to find it very hard to support the Bill because, as I said, I do not see it as a good package. I would urge those people who are drafting the Bill to refine it a bit more and bring it down to earth. I think it is picking up targets which it should not be.

As regards manufacturing, of course, Barbados' manufacturers can still be effective in specific markets. But again, as we said, we have a whole number of things which come together to make us ineffective on the broad front and these measures are not going to help. Senator Alleyne also said that he does not see the point in totally wiping out what we do have here, because right now we do not have a substitute.

With those remarks, I would say that I am going to find it difficult to give a "yes" for No. 3. Thank you.

SENATOR Miss Y. V. WALKES: Mr. Acting President, I was going to make a short comment on the amendment to this Consumption Tax Act to say that, although I recognize the importance of measures, it is still a little bit worrying when I think of it that we should have gone straight to the manufacturing sector in that manner and maybe not have gone with a more gradual approach in preparing the manufacturers into accepting the shock. I am not going to dwell too much on that, because I was thinking when that came into my head that there are other sectors which are really down – for argument's sake, agriculture and sugar – that could have been targetted in a really rough fashion to see if we would have been able to get some kind of action out of those areas and then gradually bring the manufacturers into place by reminding them, maybe a little less seriously, about the role they are supposed to play.

5.10 p.m.

Thinking about that, it came to mind that we need a whole newer marketing thrust in that area. It might be a good thing to try to set up a marketing company so that the money earned would go straight into these companies, because manufacturers are not necessarily good marketers, just like anybody else, I suppose, in a business is not necessarily good to market it. Therefore, you need to have special people trained to market the products. In so doing we can think of a system where people would be paid on commission in terms of how much is sold, so that it feels very competitive and people are forced to go out there and try to market products and also to sell products and therefore have a system that forces them into producing.

Although I am not really one of these people who prophesy and go heavily on privatisation, because I understand some of the repercussions of that, I believe that we have come to a stage where we have to look at areas like the IDC and the Export Promotion Corporation to see if we can look at those areas in terms of privatisation, where they will earn at their maximum. To my mind there

is great potential in those areas, but somehow they seem to lie there without getting the kind of rewards and the results we would like to see. I am wondering if it is because of the whole concept that one tends in this country to have of having a Government setting, where everything seems to be humdrum, matter of fact, and there is not that push, that thrust to ensure that the maximum is given to the particular area in terms of earning power.

Therefore, I am saying, Mr. Acting President, that it is a time that we should look at these few measures.

I thank you.

SENATOR Mrs. V. C. FRASER: Mr. Acting President, I want to say that I was glad that the point was raised to look at some of these agencies, like IDC and the Export Promotion Corporation, because it is my view, and it has been my view for some time, that as long as these agencies are tied to the Civil Service bureaucracy and are structured in a way that salaries are going to be in line with the Civil Service, maybe because of some little bits of envy here and there, you are not going to attract the real serious people who are business oriented. It is a very grave difficulty, because if a fellow can go out there and work in the private sector for X dollars, because of his qualifications and proven ability – I am not talking about any fly-by-night person – a serious person who has been out there in the private sector really doing substantial marketing and probably responsible for 90% of the success of his company, he is not going to want to come to IDC or Export Promotion to work for half that salary and then also have himself involved in a lot of bureaucracy. When he wants to take certain initiatives, he will still be bound by a Civil Service type of mentality. I think that is one of the problems we are getting among some of the Statutory Corporations. That is why we may not be attracting some of the best people, or if we attract them they get confused and they leave, because they are not accustomed to that lot of bureaucracy, they are accustomed to managing if they are managers. They go ahead and do the things they know they will have to do.

I was very fascinated the other day when I called a company like the Pine Hill Dairy about a matter and I was told by the Managing Director: "I have managers in my marketing area, they are responsible for X, Y and Z. They have a budget, they do that, full stop, I am nothing to do with that." Perhaps these are some of the reasons for success. I am saying that we must look at this idea, because it is no point being a manager somewhere and have innovative and far reaching ideas about marketing, especially if your products are on the extra-regional market, you have had the experience, then to find that some Permanent Secretary writes and says "This is not the way you must go." That is so because he is not accustomed to that way, he is accustomed to the bureaucratic bungling.

I am also saying, Mr. Acting President, that it is very important that we look seriously at the way how our Missions are operating abroad. I have for a long time called, and I think something is being done now, for people who are specialists in areas like agriculture, having an agricultural attaché, whose success has been marketing agricultural products and dealing with them very successfully over the years, and knows the kind of lingo and the type of diplomacy you adopt in selling things to people abroad. It is not a very easy job. I myself have been involved in this and I know you have to do all kinds of little things and go around all kinds of corners at parties and so on to get people to understand what you want to get over to them. In that area of overseas Missions I feel that we can do very well by having the right people there at the right time.

Recently we had people down here from the EEC and they were saying that Barbados has not taken the kind of advantage – I think Senator Cole was at that private sector conference – they should have taken in the area of exporting some of the crops that might be looked at in Barbados as simple, but are exotic, and very much money is paid for them. They cited examples – sweet potatoes, passion fruit and carambola – as three crops which could bring a tremendous amount of foreign exchange.  
5.20 p.m.

What they were saying, in fact, is, do not go and plant everything on the earth and expect that it is going to be sold successfully in Europe. Plant the things that they really want and they will take them all from the whole Caribbean region because even the Caribbean region cannot supply them with all they have. It means Barbados will be getting all that they have to export and the other islands will be getting all that they have to export and the Caribbean will stand to benefit.

On the other point, looking at tourism, looking at the hotel industry, Senator Cole said that he is involved in it. I do not always say the things that I am involved in but I am a trained food and beverage manager. I know that food and beverage takes away about 50% of that cost as long as you are feeding people and they are going to be buying beverages. This is a very high cost.

I think in this whole exercise it will probably teach us a lesson to look at what we are going to feed those people. What are we going to give them to drink. I am saying that we need to change our attitude to this whole question of how we should regard tourism because if the tourists go to other countries, they are going to use whatever they have and they are not going to complain. But we seem to have some feeling that we Barbadians must stoop down to tourists.

If you went to Denmark the first thing they would offer you is draught beer. That is theirs. They are going to offer

you Danish pastry. That is theirs. They do not need Danish pastry in Barbados. They do not need many of the things that we are trying to buy expensively for them here in Barbados. I think out of this whole exercise could come a lot of lessons for us. We need to rethink.

I agree with Senator Dr. Alleyne that we need to rethink and encourage, but at the same time we need to coerce Barbadians into changing their attitudes towards manufacturing and towards the manufacturing sector and towards understanding why it is necessary for us to get markets outside of the region so that we can draw foreign exchange while protecting our own manufacturers in Barbados.

Thank you.

SENATOR Miss M. A. MOTTLEY: Sir, I have a few concerns which I wish to raise at this point to reiterate that I really do not believe that to impose a blanket increase in the consumption taxes as has been voiced by a number of other Honourable Senators so far, is going to seek to achieve much except to further dampen and depress the state of the economy and, indeed, to continue to create harsher conditions under which people not only operate business but live.

Much has been said in relation to the productive sectors and the likely effect of the increase in consumption taxes on the operating cost of the productive sectors, particularly the tourism and the manufacturing sector. All of this has to be taken in the context of the removal of the concessions under the proposed removal of the Stamp Duty Act, also in the context of an increase in interest rates because the reality is this. Where the general purpose of the Budgetary Proposals one of them is to dampen demand for goods and the purchasing of goods in this country, and where there is in existence a proposed 8% cut in respect of 25% of the work force, at least, and where there is already a stated policy on the part of the Barbados Water Authority to increase its rates and, indeed, the consumption taxes in relation to power, as we have heard, Sir, the fuel oil has also been increased, all of this must make the cost of operating businesses in Barbados much more increased.

Those who will suffer ultimately must be those who have little or no resources to draw upon other than the meagre salary or pension which they receive on a weekly basis. That is why time after time both in and out of this Honourable Chamber attempts have been made to call on the Prime Minister and Minister of Finance to impose these measures with a level of equity, if he is going to impose them at all, and to ensure that at least your basket of goods both in terms of basic food and necessity items in respect of peoples' ability to continue to live and live in a decent manner that is not an affront to basic human rights, and in terms of the productive sectors and their ability to compete effectively to earn the foreign exchange that this country

needs, it is necessary not just to have an across the board increase but to impose an increase with a degree of equity, foresight and compassion.

Sir, a study last year appeared in one of the local newspapers which compared the rate of consumption taxes on basic hotel inputs in Barbados to those of other Caribbean Islands and whether it was beef, hotel linen, soap, whatever it was, it was shown at that stage prior to the increase which is now before this Honourable Chamber, Barbados was already at an uncompetitive stage in respect of its other Caribbean territories in the tourism market.

When one compounds that by the fact, as Senator Alleyne correctly pointed out, of the real appreciation in the value of our dollar, one could see that the cost for tourists coming, regardless where they were coming from, to Barbados would be far higher than it would be to go to St. Lucia, Grenada or Jamaica.

Sir, what has to be borne in mind is that when you look at the movement of tourism in the other Caribbean Islands, Jamaica has just recorded a bumper summer season at a time when we in Barbados seek to complain about international recession. Bear in mind that Jamaica, in the face of a report by the United States State Department that it was unsafe and violent, still recorded a bumper summer season. Grenada who now, like us, is struggling to move away from the IMF, has at least the ray of hope that the summer season that they have just had is an encouragement to a even better winter season. But we in Barbados, prior to these measures, have suffered a decline in tourism for almost a year now if not just slightly over a year. I think we need to sit back and reflect.

I heard the Prime Minister and Minister of Finance speak this week of one of the purposes of the Budgetary Proposals was to protect our foreign reserves. But, Mr. Acting President, you can only protect what you have. If you do not have foreign reserves how are you going to protect them? You have to earn them first. These measures are a disincentive to the earning of foreign reserves as opposed to an incentive.

These measures also seek to withdraw money from the public to the purse of Government. While the fiscal deficit needs to be narrowed, although I do not agree with the Minister of Finance that we should narrow it to 1%, and, certainly on the arithmetical calculation, not only by Senator Barker in here but by other economists outside of this Honourable Chamber, the amount being sought by the Honourable Prime Minister and Minister of Finance is in excess of what is required to balance his budget. While saying all of this, Sir, it is imperative that we also understand that there is nothing in these budgetary measures, and certainly this piece of legislation will not help whatsoever in encouraging gross capital formation in this country. And while yes, there is the immediate short

term prospect of an empty foreign reserves pot, if we take a short term look and propose only to deal with things in a short term way, Sir, six months down the line we are going to be dealing with another set of measures in a short-term way and six months down the line again.  
5.30 p.m.

I am saying, Sir, that the art of fiscal financing and fiscal planning is like a sculptor sculpting a piece of beautiful art work, Sir. It is not just a question of taking a chisel and knocking something off, it is a question of examining the contours and the movements and the variables within society and the economy and with a sense of justice for a Government which professes to be a democratic socialist Government, Sir, and a caring Government that must also be in the forefront of your mind when chiseling the art work by using the fiscal tool.

Sir, the manner in which these measures have been introduced, one fell swoop here, one fell abolition there, one fell imposition here, does not lead one to believe that any great amount of thought was taken in terms of how these objectives would have been achieved while indeed laying the safety net for the dislocation that by this Government's own admission on page 6 or 8 of their Manifesto would occur if cuts were to take place. I, Sir, am dealing therefore, on the level of the individual in this country who is least likely to bear the increases in cost. I am dealing, Sir, on the level of the productive sectors who need to earn the foreign reserves so that we can finally protect them, because we do not have anything to protect at the moment, and who, Sir, are dealing with what I referred to today in an earlier debate as rebuilding of confidence in this country.

Sir, it is impossible to look at this consumption tax increase without looking at it in the context of all those things to which I have referred that are taking place within the economy. Sir, when you remove the concessions in one ... I heard today, in here, that there was an indication that the Prime Minister and Honourable Minister of Finance maybe willing to review the removal of these concessions. Sir, I hope it is true but I find it a little difficult to believe, since last night when he spoke for an hour in the other place, Sir, knowing full well by then the concerns of the manufacturers of this country, the point was not addressed. But, for what it is worth, I beg the Honourable Minister of Trade, Industry and Commerce do not have befallen upon you a record that would be worse than your predecessor, do not have befallen upon you a record that will reflect a decrease in revenue from export earnings from \$496 million a year in 1986 to \$248 million a year, last year.

I have the greatest respect for the Honourable Minister of Trade, Industry and Commerce and one of the things I feel particularly good about is that he seems to be one of the few people with whom one discusses and meets, who

understands the need for the reordering of the productive sectors in this country. It is unfortunate that the Minister of Finance seems to be preventing him the room from allowing that reordering, particularly, because, I believe his appreciation, not only as a politician and as a Minister, but indeed in his professional training and in his experience in North America – and I say this very seriously – has widened his perspective in terms of what is possible for us to earn foreign exchange from.

I honestly believe that the time when we see and divide our economy in terms of, social sectors here and productive sectors there, has got to come to an end. There is nothing that says that education cannot be a productive sector. I know full well that with the level of tuition, the high quality of tuition, on the Hill, as is evidenced, Sir, by the speeches of two Honourable Senators in this Chamber, that indeed it is comparable to any other institution of higher learning, Sir, anywhere in the world. There are hundreds and thousands of American and European and Latin American students who would love, especially those from the colder climes, Sir, who would love to come and spend a year here in the same way that they spend a year in Europe or a year in America, receiving part of their degree training. That is a productive sector, Sir, because when they come to pay the fees it is foreign exchange that they are bringing.

Health, Sir, cannot be seen in the context of a Barbados of 1991 purely as a social sector, and we should ensure that we can maintain the high level of health care that we have given to the citizens of this country by ensuring that it can earn for itself its keep by attracting a number of visitors here for therapeutic recovery, whether it is from physical illness or indeed mental illness, because some housewives up there may have a nervous breakdown and want three months recuperation away from the family and away from all stress, particularly because the American Government in its effort to manage the fiscal deficit is making life more difficult for them too.

The point is this, quite seriously, Sir, the cultural industries as well. We see culture in terms of crop over and Kadooment and maybe a few little handicraft things. Senator Alleyne said that we have to learn to think big and when I said that my psyche had been assaulted in here, Sir, I meant it, because when you assault my psyche you make me doubt myself and my ability to reach for up there.

We have some of the best musicians in this country, Sir, as you well know. Sir, within the Reggae music industry alone which generates hundreds of millions of United States dollars and deutsche marks and English pounds, there are only about two or three hundred musicians that really do the world circuit and right here in Barbados we have at least twenty. Jamaica, strangely enough, which is the heart of the movement, has very little live bands. So the point I am making, Sir, let us look at

reordering our productive sectors and use resources that we know are of world class quality.

Senator Alleyne referred to the feats of Sir Frank Worrell and Everton Weekes. Because we knew we were good at it we went and showed everybody and we stayed at top. Half of the battle was the psychological superiority that we felt we had.

Government must not become bogged down and involved in these activities, Government must use the fiscal tool to create the incentives for people to enter these new areas of activity. They are pioneering areas and if Government and everybody else, quite rightly, agrees that there are problems within the manufacturing sector, don't just give them a death knell blow with one swoop. Sit down and work with them, as Senator Alleyne said, determine what is wrong and those who can survive and meet the fittest of the fit will survive. Do not to the disadvantage of everybody else ignore other productive areas in the economy which are possible to earn us a great deal of foreign exchange. That is what I mean when I talk about rather than just imposing an across the board increase in consumption taxes and an across the board removal of concessions that one needs to sit down and carve like a sculptor carves – a creation of beauty.

5.40 p.m

In this case we are carving a creation of development for this country – a new development strategy, a new way of thinking. It is not only Government, because the bankers have to be sensitised because they are very insensitive to those types of things at the moment, but Government must set the way and Government must not try to go and invest some of this money that it gets in the fiscal revenue into getting into these activities. We just want Government to stand up and point the way and create the environment and play a role of a facilitator. I guarantee, Sir, that when Government starts to facilitate by ensuring that there is no cross the board increase in consumption taxes so that poor people find it difficult to eat or to build a house, so that the hotel sector finds it difficult to compete with Grenada, St. Lucia, or Jamaica which has an exchange rate of 20 to 1 on the black market, or with the manufacturers who are sending in pepper sauce from Jamaica and Trinidad with Windmill Products here, or with the steel from Trinidad, or within the agricultural sector where the poor pig farmers not only will they die a death blow by the establishment of High-Pak by Hanschell Inniss to do their own rearing of pigs for pig processing thereby even making it even harder for the small pig farmers who produce pigs to get a market for the pigs, but they now have a compounded problem of increased feed prices making it more difficult for them to make a living now.

Instead of doing all of that, Sir, stop and do not send off the Letter of Intent yet. I beg. The shadow Minister of Finance, Owen Arthur, has made a suggestion and it is one

with the greatest amount of sincerity. Let us sit down as part of a national task force and deal with the matter. I have heard that no alternatives were put forward by the Opposition. That is not true. I will lend anybody a copy of the video tape of Owen Arthur's speech which for the last half hour dealt with nothing but alternatives and he showed the signs of a statesman who could admit where we went wrong in the past in terms of correcting measures. For example, we have stated quite clearly that it was a major mistake on the part of the Barbados Labour Party to increase interest rates in 1981 and 1982.

We are saying to this Government, "Do not leave out our experiences from which you can draw upon. Let us sit down and see how we learnt from our experiences when we were governing, but more importantly do not commit us to a set of measures and to meet a performance target which all of us in here at the bottom of our hearts know we cannot meet in six months time. The adjustment programme is too short. You need it at least three years to begin to impose some of these types of measures to avoid the kind of social dislocation, the destruction of confidence, and eventually the removal of your sovereignty and the right to make any decision which will then be replaced by the IMF."

This Consumption Tax Bill or the amendment to the Consumption Tax Act is but one example of an impossible target. It is not like even watching Sparrow singing classical songs because we know that is possible. This is not possible in six months or eighteen months. I urge upon the consciences of all Honourable Members in here not to let us go ahead with a Bill that we know is going to wreak havoc on the poor people and the productive sectors and ultimately on the future of this country.

With those few words, Sir, I thank you.

SENATOR Mrs. A. STRAUGHN: Mr. Acting President, I will have a lot of difficulty in supporting the measure. But there are certain areas that really cannot be separated. This Bill is loaded. There is no question about it and it is strongly inter-related with item No. 4. It crosses all areas of consumption and there are certain taxes on areas of consumption that are in the form of strong disciplinary measures, disciplines which we really need for all times but more especially at this time.

If it were in my power, Mr. Acting President, I would like to siphon it if I could. For instance, separate those taxes on luxuries from those of necessities and essential services if it were at all possible from those that impede production through the progress in manufacturing.

I, like Senator Alleyne, would plead with the powers that be that in making an amendment of this sort on such important issues they could be more selective so that we would have less problems even if the case of the

immediacy of the measures. I repeat, Mr. Acting President, it is loaded. I will have difficulty. I have been thinking and thinking about it for a long time but, with No. 4 coming up and one so closely inter-related with the other, I will support this. Thanks, Mr. Acting President.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, I have listened carefully to the concerns of the Chamber. Regarding the suggestions made *vis-a-vis* the manufacturing sector, I am the Minister of Trade and, certainly, I am not here to preside over the demise of the manufacturing sector. I do believe that at this stage we have to go through a restructuring process. I have made mention about two weeks ago when I had occasion to speak at a store in Broad Street and I invited the distributive sector to use their skills not only to sell things locally produced in Barbados but also to use the same skills to sell them overseas since they will have more experience in dealing with the international companies over time.

I also think that in terms of restructuring we need to find new ways of doing things. Retooling is the case in point and we also have to find new areas of activity. I think that Senator Mottley touched on some of them and we have also taken the initiative in the Ministry to look at the promotion of music and other areas we are looking at in this point in time. In addition to that, we are also looking at new markets. We have touched upon Ghana and Nigeria. We have looked at Nigeria and there is some possibility in that market. We have also looked at Ghana and we plan in the very near future to exploit the free trade arrangement with Venezuela. Only last night I was talking to the Minister of State from Venezuela and we were talking about these possibilities. The agreement has already been signed at the last CARICOM Meeting and I think we should be able to put something in place very shortly.

I know that we are concerned with the impositions. Senator Barker alluded to the increase in the cost of living. Fortunately for us overtime we have been able to maintain a rate of inflation well within single digits. I do not think that given the alternatives available if we fail to put these measures in place that the rate of inflation will not increase at such a rate as to make it a problem. We are looking at this where we are today, what we must do and given the alternatives if we fail to put this in place.

I think that much has been said about devaluation but for sure one thing that devaluation will do is to immediately raise the cost of living by at least the amount of the devaluation. You do not talk about a 5 or 10 per cent if you are talking about 30 per cent. We are weighing alternatives from where we are. I think Senator Inniss made the point earlier today when he said we are out to sea now, there is a hole in the boat and we have to get back to shore. Once we have corrected that, then we can decide whether we need a new captain, whether we need to

change the crew, how we need to redistribute the load within the boat itself.  
5.50 p.m.

At page 36 the Minister of Finance said, in respect of the stamp duty which is being revoked, and I am quoting the second sentence in the first paragraph:

"However, if any of the organisations which will be affected export any of their products they will be granted a rebate of the duties through the drawback system. Furthermore, if evidence is produced to show that all of their products are for export, an appropriate order will be made to grant the exemptions on the raw materials because our strategy is to give export-oriented operations the maximum support."

Even when this was being considered, consideration was being given to the manufacturing sector. I think the Minister of Finance will not, and I repeat not, be prepared under any circumstances to put the Barbados manufacturers at any disadvantage in the Barbadian market *vis-a-vis* any other manufacturer within CARICOM. I think we could accept this as a given. That is clear, so if that problem should rear its ugly head, then of course it will be addressed, and I am giving this Chamber that guarantee.

On the question of cost within the hotel sector, I think that cost must also be compared and weighed with quality of service. I remember seeing a study done on the hotel sector, where most of the people were not particularly concerned with cost, that there is a fallacy that Barbados is a high cost destination, but what they were concerned about was the level of quality of service. From time to time, not like Senator Mottley, I have to eat at one of the hotels around the place or one of the fast food places, but the quality is not the very best. You could go into a Burger King and others elsewhere and feel the difference. The table is clean and the service you get is good. It is not the price you pay, but the service you get.

As a matter of fact, I was sitting next to a member of the Board of Tourism having lunch and the person brought some bread to the table. The bread was cold and I said: "Please, would you take the bread back and warm it?" He said: "When I brought it to you was it cold?" It was cold then, but that was not the point. I had just gone to lunch, after a harrowing morning, because I went by myself and I had to put up with that sort of nonsense, but these are some of the problems that we have. I could have gone to the Manager, but I was not in the mood, I just wanted to have lunch and leave the place quietly. I think there is just a little too much of this in the services sector. I do not think we clearly understand what service is all about in Barbados and we keep talking about cost. It is not cost, it is service we need to wake up to.

Senator Alleyne raised the question of standards. I have been pushing standards for quite some time. Even in these periods of austerity I am hoping to get two Inspectors out there on the shelves to ensure that the quality of goods that we have in the local market at least meets the standards that we want to have established for ourselves. These are some of the things that we are really looking at.

In winding up this debate, what I would like to do is to give this Chamber the assurance that it is not the intention of this Government, or of the Minister of Finance, to place our manufacturers or our productive sectors at any disadvantage *vis-a-vis* other people competing within this market.

*The question that the Bill be read a second time was put and agreed, the Senate dividing as follows:*

*Ayes:* SENATOR THE HON. Dr. C. D. CLARKE, SENATOR A. MORRISON, SENATOR Mrs. M. BARKER-WELCH, SENATOR Dr. F. W. ALLEYNE, SENATOR A. J. N. PHILLIPS, SENATOR Mrs. V. C. FRASER, SENATOR Miss Y. V. WALKES, SENATOR Mrs. A. STRAUGHN, SENATOR Mrs. M. WÄLCOTT and SENATOR W. LeROY INNISS – 10.

*Noes:* SENATOR J. A. F. COLE, SENATOR Miss M. A. MOTTLEY and SENATOR T. E. BARKER – 3.

*On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and passed and cited as the Consumption Tax (Amendment) (No. 2) Act, 1991.*

#### ORDER NO. 4 – THE STAMP DUTY (AMENDMENT) BILL, 1991

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, I believe that this Bill was pretty well debated when we debated the Consumption Tax Bill and I again give an assurance, because these are the matters which the Minister of Finance indicated he was willing to review, so without delaying the Chamber, I beg to move that this Bill be read a second time.

SENATOR T. E. BARKER: I will be brief, Sir. I hope I am correct in saying that the Prime Minister is reassessing the whole table of concessions. We are here talking about increasing food production, we are talking about different things we can export, and at the same time what this amendment is doing is imposing high levels of taxation on all of the raw materials and machinery for the manufacturing as well as the agricultural sector.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order. I think that Senator Barker is not interpreting this section correctly. What it is doing is

removing concessions being granted, it is not imposing anything. There is a difference.  
6.00 p.m.

SENATOR T. E. BARKER: I beg to differ because if you were paying no tax before and you are paying tax now, it is imposing taxation.

Sir, when you go now to buy a hand plough, and I want a hand plough now for my own garden, I am sure the price now is going to almost double. It is going to increase substantially and at a time when we have to work hard on our export sectors. We cannot allow \$16 million, which, as I said before, we do not need because we are over-adjusting. Why are we going to allow \$16 million to get between us and prosperity? It is as simple as that.

As far as I am concerned, you are not going to raise \$16 million because people are just not going to import them because we are a high wage country. There is no way that we can substantially reduce wages. The Government is trying but we all know about that so we have to live with high wages. We now have to live with high interest rates because the Government seems bent on destroying us with high interest rates. At the same time the Government is imposing a tax on raw materials as well as machinery. I do not see any hope.

The sugar industry, every piece of machinery that they bring in, is going to induce high levels of taxation. The point must be made, Sir, that when you remove the concessions and impose a tax, Barbados has a high level of taxation already. It is not a 5% tax. It is a 20% and 30% tax as well.

We heard Senator Williams say before that it is going to cost the Pine Hill Dairy about \$350 000 a month which is going to be passed on...

*Aside.*

SENATOR T. E. BARKER: You have to pass it on otherwise the Dairy is going to be in trouble because if that is not passed on, it means that the Dairy would be operating at a loss. This level of taxation is going to be passed on to us, the consumer.

Now, the Prime Minister said that if you export you were going to get back the concession. But, Sir, as Senator Clarke and all of us know, there are very few manufacturers in Barbados who only manufacture for export. In my view, if you have a home base, which, on average, is already small, and you can get a lot of your goods sold in the home market, you will get an economy of scale which would help you to compete in the overseas market. So without the home market, your unit cost is going to be higher.

It is also important that you protect the home market. What is going to happen is that noting that we are in a free trade area, we are in CARICOM, and we are not supposed to put on barriers, we have the Common External Tariff and other things which would facilitate trade among the countries. Given the fact that St. Lucia and St. Vincent are now developing an industrial infrastructure, I can see that our manufacturers are going to be hard-pressed to compete against the St. Lucians. Noting that in those countries their manufacturers are protected in a way that ours are not now, and given the fact that our Port charges are higher, it is going to be virtually impossible for them to compete.

Now, you are going to appeal to my patriotism but I have very little left because you have taken it away with the pay cut. I would love to buy local but you have taken away the pay. There is the stabilisation tax. I have children to feed.

*Aside.*

SENATOR T. E. BARKER: "I" meaning the people of Barbados. You have introduced a pay cut. The stabilisation taxes are going up. Consumption taxes are going up. The unemployment levy is going up and still you want me to buy local when the cost of local goods is going to increase as a result of this imposition of tax. Sir, it cannot work. That is why I say we are here debating one Bill at a time but we have to look at the whole package. It is an incremental thing. If it was just a loan without anything else, you would grumble but you would have to live with it. But everything now is coming at you.

I will repeat again. The whole package needs rethinking. It is a bad package. Everything is coming on the manufacturing and agricultural sectors at one time.

*Aside.*

SENATOR T. E. BARKER: I will have to keep saying so until you listen.

Mr. ACTING PRESIDENT: Will you please address the Chair, Senator Barker? Will you keep the asides *sotto voce* as well.

SENATOR T. E. BARKER: Sir, it is imperative that the Government think these over. I am sure that Senators on both sides will agree that Government has to think through this programme again. I would beg them, Sir, let us defeat the Government on this one motion which would cause them now to go again and say, "Look, we have a problem. Let us rethink." Sir, I am begging. All six will vote and let one person abstain and I would be glad. Our country is at stake. I am begging now.

I am sure that Senator Alleyne knows what I am saying is true, too. We need to rethink the package and in passing

it we are not going to get a rethink. We are going to call for a division when the time comes. Let all of us vote. Let one person over there abstain and let us force Government to go back and look and just think through it again. That is all I am asking.

Thank you.

SENATOR Dr. F. W. ALLEYNE: Mr. Acting President, I am going to be very brief. I am fundamentally opposed to the imposition of any kind of duty on raw materials which are imported and enter into domestic production whether for export or for domestic consumption. The reason is this. The alternative, if we do not import those raw materials which would produce the commodity domestically, is that you have to use your foreign exchange which is earned by other means to pay for the imported finished goods and you are creating employment for workers elsewhere.

If you produce it, it is the local value added. At least, you are buying our local labour, not only at the factory place but you buy from the broker who has to clear the goods through the harbour, you pay for transportation, you pay for legal advice and you pay for a whole set of things. So for those reasons I am fundamentally opposed to the imposition of duties on raw materials which enter into domestic production.

I will repeat very quickly a point which I made earlier that when we come to fiscal strategy and the productive sector, the objective there should not be raising revenue. It should be tailored in such a way as to promote the most rapid rate of growth and development of productive activity. However, in introducing this particular Bill, the Minister, I recall, gave this Chamber the assurance that he would seek to have the necessary modifications made so as to protect and promote development ... It is with that assurance in mind that I will support this Bill. But if that assurance were not given, Mr. Acting President, there is no way I would support this Bill. I thank you.  
6.10 p.m.

SENATOR THE HON. Dr. C. D. CLARKE: I listened carefully to the comments of Senator Barker and I would wish – I know it is late in the day and I know we have been here for a long time – but I would wish that we conclude the people's business before we take leave of our senses and I think this is no place for joking. It is very serious business we are discussing.

SENATOR T. E. BARKER: On a point of order. I was not joking.

Mr. ACTING PRESIDENT: Nobody said that you were joking. Thank you Senator Barker, we do not have an argument about it, you will take your seat. He did not name you. Will you please take your seat? Thank you.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, I certainly do not want to delay the Chamber but I want again to restate, the manufacturing sector, I have responsibility for manufacturing. It is my constituency and I have a special and vested interest in it and I do not think any other member in here could have a greater interest in this area than I do, and I intend to use my office to ensure that I give them what support I can, as best I can. With those comments I move that this Bill be read a second time.

#### DIVISION

*The bell was rung.*

*The question that the Bill be read a second time was put to the Senate and resolved in the affirmative, the Senate dividing as follows:—*

*Ayes:* SENATOR A. MORRISON, SENATOR THE HON. Dr. C. D. CLARKE, SENATOR Mrs. V. C. FRASER, SENATOR A. J. N. PHILLIPS, SENATOR Dr. F. W. ALLEYNE, SENATOR Miss Y. V. WALKES, SENATOR Mrs. M. BARKER-WELCH, SENATOR W. L. INNISS – 8.

*Noes:* SENATOR Mrs. A. STRAUGHN, SENATOR M. WALCOTT, SENATOR J. A. F. COLE, SENATOR T. E. BARKER, SENATOR Miss M. A. MOTTLEY – 5.

*On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and passed and cited at the Stamp Duty (Amendment) Act, 1991.*

*Order No. 5 was called – To move the Second Reading of a Bill to amend the Stabilisation Tax Act, 1991.*

#### ORDER NO. 5 – THE STABILISATION (AMENDMENT) BILL, 1991

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, the Bill before us seeks to reduce the demand for imports by reducing the disposable income of consumers. This is necessary in order to improve the external disequilibrium. In this instance the old rate of 1.5 per cent is being retained for all incomes \$15 000 and under, however for incomes above \$15 000 the rate will be 4 per cent. Again it will raise revenue, but its primary purpose really is to dampen the demand for imports. This is all part of the stabilisation package which we are putting in place so that we can issue the Letter of Intent and thereby obtain critical foreign exchange at this point in time so that our economic life is not unduly disrupted. I beg to move that this Bill be read a second time.

SENATOR T. E. BARKER: Sir, we have come to the last measure in a package which has been described as murderous by the Democratic Labour Party themselves. This tax is going to hit very hard on the middle class – the

young professionals. Sir, by itself, I have no problem at all with it. If you want to raise revenue, although you may not have to, okay go ahead. But, Sir, this is on top of an 8 per cent pay cut. Sir, some houses have two civil servants in it. 8 per cent on both salaries and the other things, and now Sir, more on stabilisation tax.

Sir, all of us will admit it is a bit too much. Look it is going to wipe out the middle classes. We use the middle class as a convenient whipping boy. I, by education, might be in the middle class, but I came up very much with my foot firmly in the working classes, and they are probably still there. When you wipe out the middle class, you know what you are doing? You are destroying the hopes of a lot of people out there in the working classes who are aspiring to be something. You are destroying their hopes and we will find ourselves, if we are not careful, in the situation as Jamaica and others. When you make imposition on the middle classes, there are opportunities in America, there are opportunities all over the place and it is okay to appeal to patriotism, but at the same time, Sir, there comes a point in time where the sacrifices are too much and a person will have to consider his options.

We in Barbados as we go through this reconstruction period, we need to keep our trained professionals here in this country. We need them here. Look, when a fellow becomes a lawyer and then finds that he can hardly run a car properly, because, don't forget you have just introduced a 20 per cent surcharge on the consumption tax on things like a car for example. When you tell a man that he cannot buy a car, by itself that might not be a big thing but with it now you are adding on and you are going to destroy the middle classes and destroying the middle classes we will end up like Jamaica. You can't find people to run the factories, you can't find people to man the schools and so on. I think that it is too much. I would not detain the Senate any more because all of us are agreed that it is too much. By itself no problem but with all the other ones I can see that this might be the last straw that breaks the camel's back.

I can see, Sir, that some people are going to wake up some morning in October and go to the bank and say, "This is the house deed. I cannot manage." This is because when you have to pay \$200 or \$300 a month more in mortgage you are losing pay there. There will come a time when you are going to have to go to the bank and say, "Look, I just cannot handle the mortgage payments. Come for the house." When that happens, what is he going to do? He is going to get the first plane and he is gone. We cannot afford that to happen.

6.20 p.m.

We must ensure that the young people have a stake in this country. Every time you come you are hitting them harder and harder. We do not need the taxes. That is what I am saying. I have talked a lot today. I know that the ones

over there have listened to what I have said and a lot of what I have said they will know that it is true. All that is left for me to say now is that the whole package is going to destroy us. It is not too late because the Letter of Intent has not yet been signed as far as we know. There is still time for reconsideration. The whole package is flawed. So let us, Sir, in the interest of our country ask the Prime Minister to do what he can to alleviate some of the hardships that are going to be imposed on the people as a result of these measures. Each of them by themselves we could live with, but taken as a package is a bit too much. Thank you.

SENATOR Dr. F. W. ALLEYNE: Mr. Acting President, just a couple of comments on this stabilisation. I have no difficulty at all with the concept of a stabilisation tax. I have somehow a question about the morality of this tax. I do not object to paying it. My difficulty is that I am required to pay a tax on a tax the way that it is administered. I am required to pay this tax. Then the assumption is that I still have the money and you tax me on it again. I am not objecting to paying the taxes, Sir, but I do not believe it is fair to ask me to pay a tax on what you have taken from me.

Now the other point which I want to make and this is a point which was made by a Senator earlier this afternoon. I believe that the kinds of downward adjustments which will result in the disposable income imposed on salaries and wages might be so great that it might be necessary, and I believe it is necessary, to encourage the mortgage lending institutions to look again to either provide some moratorium particularly for public servants so as to give them some breathing space. Otherwise, I fear that many of them might have to face foreclosure. I think the Government might have to take the lead.

I say this, Mr. Acting President, because when you combine the eight per cent cut in salary, the increased stabilisation taxes that public servants have to pay, the high interest rates, and the higher cost of living which is going to result from stamp duty and consumption tax, you might well find that the real purchasing power might be reduced somewhere in the order of 20 to 25 per cent. Somebody said 15 per cent earlier. I do not accept that. I think it is going to be in that kind of region we are talking about. In the context of Barbados, my reading is that many of these people who are trying to own homes and, I have to say many of them are single women, they are fully loaned up and it does not take much to force a foreclosure on them. I believe that very early, Mr. Acting President, the Government might have to go and nudge the mortgage lending institutions so that they can anticipate the problem and extend the life of mortgages and in some cases provide a moratorium which will allow them to pay just the interest alone for three years or five years and, hopefully, by the end of that five year period the economy would have settled down and the public servants can be restored to a better financial position.

I am happy that there is some graduation in the stabilisation tax, but I would have loved to see the first \$15,000 exempted. With those few words, Mr. Acting President, I support this Bill.

SENATOR A. J. N. PHILLIPS: Mr. Acting President, the debate in the latter evening really has been of a very friendly nature rather than the hostility earlier in the day. So I just thought that I would say a few words at this time. I believe, Sir, that in this whole scenario the middle-class person will be the one most effected. I believe too, Sir, that it is because of his general style in life as compared with the man at the bottom. Believe me, Sir, persons who work for \$200 a week and that sort of thing save more than the middle-class person working for \$2 000 or \$3 000 a month. I believe, Sir, that it is because of the way our society is structured and the lifestyle of the middle-class man. A middle-class person sees it that if they are working for \$2 000 now and they get an increase by \$500, Sir, then their standard of living must go up by another \$500 to accommodate the increase. What I am saying is that they do not make any allowances for hard times.

However, these austerity measures are meant to assist for the recovery of the economy and to have a saving on foreign exchange. I believe that we are going to get full support. However, Sir, I do support fully what Senator Alleyne said in regards the possibility of mortgage companies and even institutions like commercial houses having a re-look at agreements that they may have made with persons and phrasing it over a longer period of time in order to prevent persons from having that jolt. I suspect that one of the businesses in Barbados that may be hard hit during this period will be those in the travel agency industry. I believe, Sir, you might still be in it yourself. But I believe that a lot of holiday travel within the islands and the Miami and New York trips and so on will be cut out. Sir, if you can forget the political thing, I think that the man on the street understands that there is a problem and he is willing to assist the Government and the problems. However, Sir, every now and again he gets confused because when he thinks that he is assisting then the Opposition parties and so on and other persons tend to spur up situations that cause the unpleasantness. I believe, Sir, the Opposition will settle down, because the Barbados Labour Party every now and again sometimes think they have a good thing to go on. But then they realize when it settles down that they do not have much to go on with and they get quiet again. I believe, Sir, this is one of those things that may last four or five weeks and after that as soon as everything is settled down then everybody will put their hand to the plough and make sure that the measures are effected and make sure that they serve the purpose for which they were meant. Thank you, Sir.

6.30 p.m.

SENATOR Mrs. V. C. FRASER: Mr. Acting President, I just want to say a few words on this. I would like to

support what Senator Alleyne said about the reviewing of mortgages, especially with respect to single women and single parents. There are women who are also single parents, as is known, not just single women. I think that this should be reviewed, but not only the mortgage, I think all the banking facilities should be looked at seriously. There are quite a number of women who are the sole bread winners, there are some husbands who are sick and the women have to look after the home. I think it is very necessary to review this particular aspect. I think, however, that we must enter a serious programme of educating people on how to budget their incomes, I do not think that we should encourage people in reckless spending and living above their means.

I think if it is one lesson that will come out of the whole scenario, it is that people have to be very careful with money. Money is a serious business, the spending of money is more serious and budgeting of it is yet more serious. If you just go into the supermarket and pick up everything you see, that you only want and you do not really need for your family's good health, then you are going to be in trouble all the time. I think we have to hammer home these lessons. Whatever is going on during this period, we must get home the whole lesson of thrift, consumer education for the people in this country, because I think this has been sadly lacking. People spend money, they do not consider if they are getting good quality for their money, and things of the sort, they do not compare prices.

I just want to give this as an example. I am wearing a local suit here. I wear a lot of local suits and sometimes people come to me and ask me if they come from overseas, but when I compare it with the price of some of the suits from overseas, it is six times cheaper. Sometimes those from overseas are not even as properly done, because the seams in this suit are properly done. I could wear this on the wrong side. Therefore, we need to give our own people a chance and if we can find something local that is going to be of good quality, we must buy it. We have to work on changing the attitudes of people through the news media. I am appealing to those business persons who are in here not to feel badly to sponsor an advertisement which says "buy local, eat local, buy Barbadian" because it is going to help you in the long term. We are going to give you all the printing, as we usually do, for the National Development Foundation, and that is local. Therefore, if we do this, we want somebody in turn to realise that it is important to get home these messages, but on the other hand, *CBC* will be looking for revenue to keep things going, so they are not going to give us free. Somebody has to help with this.

Mr. Acting President, I would just like to issue those few words and I would like to think that out of this whole exercise people will come out understanding how the people before who had the six and the eight children were able to budget and how they were able to get them to

where they are. Perhaps it would be worthy to get a few of those housewives to go into some of the schools and talk to the children and explain to them what they did and still at the end of the day they were able to build a house, educate children and buy a car as well.

Thank you.

SENATOR Mrs. M. BARKER-WELCH: Mr. Acting President, I have listened to the whole litany of woes, suggestions and lots of useful arguments following the recent Budget with this package of measures that has been given to us, so it is no sense going over that. What I think we as Barbadians have to do now is to display the same sort of creativity and innovation as we did many years ago.

Some of you will remember, some of you were not on the scene yet, but there was a war that affected everybody in Barbados. There was a time when people had to care for each other, when we had to be our brother's and our sister's keepers. I am seeing that time here again and we have to stop the recriminations and the blaming and carry on with our lives. I remember in the war we had to do without a lot of things, but those of us who have survived are none the worst for it. I remember at school I had to do some little art work and they asked us to choose a quotation from Shakespeare or something and I chose this one:

"Sweet are the uses of adversity  
Which, like the toad, ugly and venomous,  
Wears yet a precious jewel in his head."

This is not to say that I think it is a nice thing to have all these taxes and all these stringent measures, but I am saying that we can turn it around and show the world how resilient Barbadians are. We have it in our hands to try to pull the country out of the mess in which we find ourselves. It is no good blaming anyone, because this thing has been going on for a long time. We have been book learned, but we have not been educated on how to make the best of our resources, we have not been educated for our fullest productivity.

My colleague, Senator Fraser, mentioned something I wanted to talk about, and that is housewives. The women of this country, who have always borne the most burden, are the ones who are now going to have to turn a dollar into two dollars, like how our grandparents and our foreparents did. Our ancestors really and truly set the scene for us, with all our education, which they did not have, and we are now to show that the sacrifices they made have not gone for nought. They made a lot of sacrifices for us and we now have to turn around and say what we are going to do. I would like to hear the Unions say what they are going to do, I would like to hear the private people say what they are going to do and finish with these recriminations.

I have just come from an economic conference at which all the countries had to report. Believe me, it is no consolation to know this, but it is a fact that all of the countries in the region are going through some very serious times. I had discussions with the Prime Minister of a certain country, which I will not name. That Prime Minister had to impose a 10% crisis levy, it was not a voluntary thing, nobody had a form to fill out. It was a crisis levy, 10% all across the board. It was in the private sector too, the whole country had a 10% crisis levy. We were talking about structural adjustment and so on, and some countries were telling us that all of the women – it was a women's conference – were explaining the sort of measures they had to use in order to make ends meet.

It is going to be difficult, but I have confidence and faith in the Barbadian public and if some of the people who are playing politics at this time put the same sort of enthusiasm into trying to call for the resignation of one man, as though that man was the cause of all our problems now – he is not – if they put the same sort of enthusiasm into encouraging people to produce more....  
6.40 p.m.

We have to let our smallness work for us. We are a very small island and that is to our advantage because we are all together. We can get into our communities. A lot of people have a lot of things that they do not really need. Let us find out those in our society who are hard hit by these adjustments and make packages of clothes, things like that, and the women get together and learn how to budget. This can bring us a little closer together.

As I said before, nobody likes the imposition of these taxes but it is a situation that we are in now. We have to get up and get. I am quite sure that in a matter of time the Barbadian public will co-operate and help us to regain the sort of reputation for which Barbados has been so famous.

I thank you, Mr. Acting President.

SENATOR THE HON. Dr. C. D. CLARKE: Thank you very much for your comments, Senator Barker. I thought they were well timed and timely.

*The question that the Bill be read a second time was put to the Senate and agreed to.*

SENATOR T. E. BARKER: Mr. Acting President, we are not calling for a division at this time but I would just want our objection to be recorded.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, since this Bill is a money bill, I beg to move that it be read a third time.

*The question that the Bill be read a third time and passed was put to the Senate and agreed to.*

#### ADJOURNMENT

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, I believe this brings us to the end of Public Business for today.

Mr. ACTING PRESIDENT: Before we adjourn, I should like to say thank you for staying with us for such a long and for some, a tiring day.

#### OBITUARY

Mr. ACTING PRESIDENT: I have a very unpleasant duty to perform and that is to draw to your attention that last week one of our former members was called to higher service. I refer to the late Deputy President of this Honourable Chamber, the late Charles Asquith Phillips, whose funeral will take place at The People's Cathedral tomorrow afternoon at 3.00 p.m. with the interment at Christ Church Cemetery.

Mr. Phillips has given yeoman service, not only to this Chamber, but, also, to this country. He has served this country well for a great number of years. I have had the privilege of knowing him very well from school days. In fact, we worked together as sub-editors immediately after leaving school at the "Advocate". There we got to know each other very well indeed, even before any one of us did any further studying or anything of the sort.

I should like a letter of condolence sent from this Chamber to his relatives. I know that the Members of this Senate would wish to stand and join me for a moment's silence out of respect for the late Charles Asquith Phillips.

*The Senate stood for a moment's silence.*

#### ADJOURNMENT (Resumed)

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Acting President, this brings us to the end of Public Business for the day. I do believe that the Other Place has risen for the summer recess, consequently, we shall adjourn this Chamber *sine die*.

SENATOR A. MORRISON: Sir, I would like, on the adjournment, to say that I hope when we resume from our recess that Senators will be given the opportunity to pay a proper tribute to the late Senator Phillips. The time is too late now, Sir. I wish that we can resume when we come back from recess as some of us would like to pay the proper tributes to him as a former Deputy President of this House.

*The question that the Senate do now adjourn sine die as they rise for the summer recess was put to the Senate and agreed to and Mr. ACTING PRESIDENT adjourned the Senate accordingly.*  
6.50 p.m.

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