
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

THE SENATE

Wednesday, 19th October, 1994

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, October 19, 1994, at 11.15 a.m.

PRESENT

His Honour Senator F. W. GOLLOP, (President)

Senator the Honourable R. R. FARLEY, (Minister of Industry, Commerce and Business Development) (Leader of the Senate);

Senator the Honourable P. C. GODDARD, (Minister of State, Ministry of Foreign Affairs, Foreign Trade and International Business);

Senator the Honourable G. S. H. MURRAY, (Minister of State, Prime Minister's Office);

Senator Miss C. Y. FORDE;

Senator T. E. BARKER, (Parliamentary Secretary, Ministry of Finance and Economic Affairs);

Senator Miss O. P. SYMMONDS;

Senator D. T. GILL;

Senator N. A. LYNCH;

Senator N. P. WELCH;

Senator J. A. WORKMAN;

Senator P. S. BERNSTEIN;

Senator the Venerable Archdeacon J. L. SPRINGER, G.C.M.;

Senator Mrs. V. J. DAVIS;

Senator Mrs. A. P. THOMPSON;

Senator C. A. MASCOLL.

Prayers were led by Fr. Errington Massiah.

Mr. PRESIDENT: The Senate is in session.

MESSAGES FROM HER EXCELLENCY THE GOVERNOR-GENERAL

Mr. PRESIDENT: I have received the following communication from Her Excellency the Governor-General which reads as follows:

Her Excellency the Governor-General

To: The Honourable, the Senate.

Her Excellency the Governor-General has the honour to inform the Honourable the Senate that she will be absent from the country during the period October 13 to November 12, 1994, on private visits to the United States of America, Europe and Costa Rico.

Under the provision of section 59(1)(b) of the Constitution, the Chief Justice the Honourable Sir Denys Williams, KCMG, GCM will perform the functions of the office of Governor-General during the period of Her Excellency's absence."

PRESENTATION OF PAPERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I am commanded to lay before this Honourable Chamber, the following documents:

1. The Representation of the People (Expenses) (Amendment) Regulations, 1994
2. The Duties, Taxes and Other Payments (Exemption) (No. 2) Order, 1994.
3. The Duties, Taxes and Other Payments (Exemption) (No. 4) Order, 1994.

4. The Duties, Taxes and Other Payments (Exemption) (No. 5) Order, 1994.
5. The Duties, Taxes and Other Payments (Exemption) (No. 6) Order, 1994.
6. The Duties, Taxes and Other Payments (Exemption) (No. 7) Order, 1994.
7. The Duties, Taxes and Other Payments (Exemption) (No. 8) Order, 1994.
8. The Duties, Taxes and Other Payments (Exemption) (No. 9) Order, 1994.
9. The Duties, Taxes and Other Payments (Exemption) (No. 10) Order, 1994.

REPORTS FROM SELECT COMMITTEES

SENATOR THE HON. R. R. FARLEY: Mr. President, the Selection Committee held its meeting this morning and the Report is still being prepared. I beg to move, Sir, that the presentation of this Report be deferred until later in the sitting.

Mr. PRESIDENT: If that is the consensus, the matter is deferred until later.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE AND MOVED BY A MINISTER

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move the suspension of Standing Order 45(2) for the remainder of this sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. R. R. FARLEY: Mr. President I beg to give notice of the Supplementary Appropriation (No. 5) Bill, 1994.

PUBLIC BUSINESS

Mr. PRESIDENT: Government Business is the instant order of the day.

ORDER NO. 1 – SUPPLEMENTARY APPROPRIATION (NO. 5) BILL, 1994

SENATOR THE HON. R. R. FARLEY: Mr. President, the matter before us, the Appropriation Bill (No. 5) 1994 seeks to obtain approval for the spending out of

the Consolidated Fund, a total not to exceed \$19 857 286. This matter was considered by the Lower House yesterday and will be considered by us today.

Mr. President, as you are aware the purpose for which supplemental appropriations are required is to allow Government to meet the expenses associated with unexpected and unanticipated expenses which arise subsequent to the approval of the Estimates at the beginning of the Financial Year.

On assuming office, Mr. President, we requested information on the level of supplementals which might be required to expedite the business of Government during the period and we received requests for supplementals in the sum of approximately \$66 million. On the advice of the Ministry of Finance and subject to discussions with Cabinet, we have begun the process of pruning those requests and today is but the first of several requests which will be made to this Honourable Chamber for the grant of sums from the Consolidated Fund.
11.25 a.m.

You will note, Mr. President, that there appear to be some outstanding omissions from the Schedule with respect to particular Ministries. The reason for that, Mr. President, is that in some of the areas in which requests were made for additional sums we were not entirely satisfied with the level of information which accompanied the request for those sums. We have, therefore, referred those matters which we have also determined not to be of an extremely urgent nature to come at subsequent points in time.

The matters therefore before us today, Sir, are those matters which are both of an urgent nature and also in the true form of what Supplemental Appropriations should be. That is unexpected and unanticipated expenditures. To give an example, Mr. President, the expenses under the Head of Cabinet Office \$1 714 300, the majority of that amount relates to election expenses which you will agree could not have possibly been fully anticipated in March this year when the Estimates were being prepared some of the expenses in other Ministries will relate to the restoration of the increments of Civil Servants scheduled for October this year. The highest percentage of that amount was provided for, Mr. President, but you will appreciate that with staff movements and other adjustments which were required a precise estimate could not be made. However, Mr. President, included in this amount are requests for sums to cover expenses which were in some cases already incurred but which were not met out of the proceeds of past years. For example, under the Head of Housing and Lands, two million dollars of the \$3 452 455 is required for the payment of arrears on the settlement of compulsory acquisition of lands. This is but a small portion of what will be required to settle those amounts which date back to 1989. We have requested in such situations as this, Mr.

President, that the respective Ministries should come up with an appropriate Debt Management Plan which would see a very carefully planned system of reducing the amount which Government owes to the citizens of Barbados.

Mr. President, in some other areas for example in the Ministry of Home Affairs, as it was styled then, the sum of \$1 036 940 was requested. This sum is in the nature of doing what can be likened to doing emergency surgery. The total state of disrepair of some of the facilities in which our law enforcement agencies are forced to work is a matter that has caused us great concern, Sir. You will agree that the conditions under which our Public Servants work is a major contributor to their ability to perform or to do otherwise. Again, in the supplementals not only in Home Affairs but in other Ministries, there are requests to provide what we can call "creature comforts" to the Public Servants. But, Sir, you will take note of the fact that being a supplemental request, it will not attempt to cover all of the needs that we have identified. These are only part of our attempt to ensure that the business of Government can be continued for the rest of the financial year. Clearly, we will be addressing some of those problems in a more direct manner in our own Estimates which will come next year. You will also agree, Mr. President, that to a large extent what we are doing here is continuing some of the business which was left unfinished during the early part of the financial year.

Mr. President, at this point I would want to conclude my brief introduction of this Bill which, as I said, is in the nature of those expenses which we agree were unexpected and unanticipated and which are required for the continuation of the business of Government until the beginning of the next financial year when our side will be in a position to come up with Estimates which are hopefully somewhat more accurate than appears to have been the pattern in the past and that will also begin to address some of the basic needs of this country.

Mr. President, I now beg to move that this Bill be now read a second time.

SENATOR C. A. MASCOLL: Mr. President, indeed the supplementaries before us do not suggest any level of inaccuracy. It is merely a question of the last administration not being able to complete its mandate over the time it was allotted. So to suggest that there was any inaccuracy is indeed a flaw on the part of Senator Farley. What is more important in fact is that we recognize that this term of office is going to require a very good understanding of the difficulties that will be confronted by the Barbados economy as we take this country into the 21st century. Rather than look to assign blame, we have to try to understand the environment in which we will be seeking to operate, and on that I will elaborate very soon.

Some areas of expenditure here would have to be questioned because it does appear that there are a number of items of professional services cropping up under the various subheadings as in Trade, Cabinet, Ministry of the Civil Service and other areas which we will seek to get clarification on and would have to find out what are the real purposes for these professional services. I am somewhat at a loss as to the allocation that is being required and I am not sure if it constitutes part of the supplementary that is being required. That is, is it expenditure that was unanticipated? Or is it that there are other projects or ventures that are being undertaken by the present administration? Therefore, I am querying whether or not those professional fees constitute part of the supplementary.
11.35 a.m.

There are other areas under the Ministry of Finance that I would wish to have some clarification on; certain areas budgeted for in the supplementary. I am very aware that there are a number of issues which are going to confront this economy quite soon, the pending introduction of the Value Added Tax system which has been agreed to in principle by all parties in Barbados, and I would wish to ask whether or not the Unit is on schedule to implement the Value Added Tax as at April 1995, and in what sense some of these expenses are going to go towards accomplishing that end.

One is very baffled by some of the areas of expenditure, particularly the allocation for rural development. I would hope in fact that in today's Barbados the concept of rural development is not one of merely the provision of roads, that in an atmosphere where we are trying to create 30 000 jobs that certainly a policy on road development should be far-reaching, in fact, and we are looking forward to find out what is the philosophical basis upon which this rural development plan will be planted.

The question of the provision of roads in Barbados has been undertaken by the previous administration and provisions have been made by IADB funding. I am saying that this is a new dispensation. But regardless of who is in power the questions of managing this economy are rather different than they were 20 or 30 years ago. I look forward to having some explanation as to why in an environment in which there were all kinds of considerations about implementing a rural development programme that we can only have a \$200 000 allocation for such an area in the supplementary. It is being regarded as a necessary and immediate thing and therefore the allocation is somewhat small, so I seek elaboration on that as well.

The \$300 000 allocation in the Ministry of Trade is supposed to be for professional services and I wish to have full clarification as to what the funds are going to be utilised for.

In the Ministry of Education and Culture these again are commitments that the previous administration did not fulfil before the election period, and indeed it does not suggest any inaccuracy in terms of the projection of Government's performance criteria. I have taken note of this concept of inadequate forecasting which the Honourable Prime Minister has already foisted on the Public Service of Barbados suggesting that they were woefully off target in terms of the Capital Expenditure programme, which is now going to come in at around \$121 million, and again one has to be careful in attributing blame to the inadequacies of the forecasting mechanism of the Ministry of Finance. I am saying that you have to ask other questions to find out why it is that the expenditure programme may fall below the \$171 million that was projected, and that to suggest that it is a question of the inadequacy of the forecasting system is to apportion blame to the Public Service, which should not be apportioned, especially at this point in time. It is indeed a very dangerous road to tread.

What is more important is to recognise that the management over the last fiscal year was primarily targeted to achieve higher levels of Foreign Reserves and the Government of the day followed a position of containing the level of expenditure such that they would not have to access borrowings from the Central Bank of Barbados, since we all know that the Ways and Means limit at the Central Bank of Barbados is under threat. Therefore, the pursuit of a steady prudent expenditure programme was one designed to ensure that we achieve the levels of Foreign Reserves which were targeted, and indeed it is well known that the projected targets for the Foreign Reserves at that point in time were exceeded throughout the year and that the performance was indeed commendable and whoever the administration is should be given the full credit in that area; because if there is only one constraint in this economy it is the constraint of Foreign Reserves availability. On that indicator alone the economic performance of the previous Government must be commended. I am saying that as far as expenditure adjustments are concerned, one is able to see that it is as a result of the prudent management of those finances that we were put in a position to address the levels of expenditure. We cannot suggest that it is strictly a question of forecasting techniques that are going to put the Capital Expenditure of Government in this fiscal year below the \$171 million that was projected. It is an absolute deviation from the truth.

With respect to Home Affairs, I think it is very well known that again the constraint here, especially for the police stations and the like, was one of finance availability. I will admit that the beautiful complex that was built at Holetown should have been accompanied by an appropriate furnishing programme, such that the emphasis should have been placed on the refurbishing and the full renovation of the site. The focus should not have been on the absence of

furnishings at that facility, but one is seeing that having spent millions of dollars to pull that facility into line, something that we all admire when we drive past Holetown, one is seeing that the focus now has been on whether or not there were two chairs or three beds or whatever in such a beautiful building. Again, maybe this is an oversight on the part of the administration, but that should not be the focal point.

There was recognition that the police stations and the like had to be upgraded, and we have seen the facility being built to facilitate the orchestra at Station Hill, we have seen renovations being conducted in other areas but that it was a question of being constrained by finance availability. In that regard you are going to need a lot more than what is allocated here for the police stations. I suppose that the Government now recognises that the constraint will always be in Barbados one of finance and therefore even though you can make all kinds of promises throughout any election campaign, when you are confronted by the reality it then becomes a question of management making choices and choices that are indeed in the interest of the country. That again is something which we have to look at. You can promise whatever you want to promise in Opposition, but when you are confronted by the reality you would recognise that you too have to make choices and that everything cannot be done overnight. But I look forward to the fulfilment of the promise of 30 000 jobs.

In the area of Agriculture and Fisheries, one again recognises that agriculture has been neglected for years by all Governments in Barbados, because of a fundamental lack of understanding on the part of most Governments in not recognising the critical role that agriculture has to play in the development of any country, and indeed that lack of understanding has come about because we have neglected our own intellectuals in the Caribbean. If we had read the works of Sir Arthur Lewis over the years we would have recognised that he paid particular attention, in developing countries and in countries that have developed, to this whole question of the provision for agriculture. We as a country have not in fact addressed that issue as critically as we would wish. Certainly \$1.5 million supplementary cannot do that, so one is asking here for a philosophical position on the whole question of agriculture. Let me also state that the main provision of removal of duty free inputs in agriculture, in manufacturing and the like will not turn around any of these sectors.

11.45 a.m.

I will explain that. If we are saying that to remove \$5.3 million in inputs from the agricultural and manufacturing sectors will turn around these two sectors, we are saying, in fact, that those two sectors are not worth very much; for it to take only \$5.3 million, in billion

dollar industries, in order to bring these industries back on track, then one is certainly speaking out of proportion with the reality.

I am convinced, from my own training, that \$5.3 million is a gross underestimation of the requirements of that sector. I am saying that, because the proposal to remove inputs in agriculture and manufacturing was in fact done in 1988 by the then Administration, and if one were to look at the level of stamp duties collected in that year, one would see that they declined by as much as \$22 million over a one-year fiscal period when in fact imports were increasing.

I repeat the measure was introduced into Barbados already and if you are to look at the information you will see that the Stamp Duty component alone in a tax collection fell by \$23 million over a one-year period when it was done and the figure fell at a time when imports grew by almost 10% over that fiscal year. So I have my hesitations as well about this whole question of merely \$5.3 million. But I am not surprised when I hear the Honourable Prime Minister mention that even if it cost \$15 million that he would have done it because I know that he, too, is somewhat uncomfortable with quoting a figure of \$5.3 million in that particular measure.

Why do I say all of that? I say it because it is important to recognise that when you are going to make these amendments, come and have supplementaries of these kinds, you are stating that the supplementary in fact could have been indeed of the order of \$66 million and that you now have only a supplementary of \$19.8 million, you are saying that you are far off target in what you truly have to do in order to bring the system around.

Let me warn that if you go about making these kinds of provisions or coming to this Senate to have these kinds of supplementaries put in place then you have to be very conscious that they have to be financed and they have to be financed in the absence of taxation by the printing of money by the Central Bank of Barbados and the very Ways and Means Account which you condemned in the last Administration would now have to be looked at carefully. So one is saying, therefore, that you are pursuing – and listen to me carefully – a low tax regime environment which means that you have to find ways and means of reducing the level of taxation, and that again is honourable, but the important thing about that – all Governments would go that course – is that expenditure adjustment must occur at the same time.

You cannot pursue a low tax regime in Barbados unless you address the issue of expenditure because you cannot spend what you do not have and this Administration has to be concerned that as it looks ahead the issue of the creation of jobs within the Government service cannot be

permitted because it would put additional pressure on the finance of the Government. The issue of debt services is critical in this country, the question of the provision of goods and services are all critical and the major area which is now up for debate as far as having a philosophical framework for its concerned is one of subsidies and transfers, that is, that section which is now approximately \$250 million out of the budget of Government has now to be considered as being a critical area for a philosophical position to be considered on it.

Why do I say that? The wages and salaries component which is really the payment of labour costs will not be addressed, cannot be addressed, since you are saying you are moving towards a low tax regime. You cannot create employment in the Government service in this country because it will put additional pressures on the level of taxation.

The question of the debt which has been commendably addressed by the last Administration to such an extent that the foreign debt component, the foreign interest component, has declined over the last 2-3 years as a result of prudent management of the foreign debt of the Government of Barbados. It is not a question of choice. It is a question of prudent management in recognition of the need to pull the debt servicing down. The question of goods and services we all recognise is also critical and therefore this Government has to be concerned that it has to adopt a philosophical position, I repeat, and the whole question of privatisation in Barbados because you do not want to carry any extra load into the future and especially since you are taking this country into the 21st century.

More importantly, any person who is looking at the Barbados economy and looking towards the so-called area of informatics which was abused during the election campaign in terms of the importance that it has – and I will address that soon – to suggest that a sector that is presently employing 2 000 people can almost overnight create 10 000 jobs in that sector is a gross misrepresentation of the reality of the sector and, more importantly, to come in the very recent weeks and suggest that the informatics sector of Barbados is now 7½% of the Gross Domestic product of Barbados, is again a misrepresentation of facts. It was said by Senator Farley recently at some speech and it was reported on the public airwaves. Seven and one-half percent of GDP. Let me explain the folly of that.

The manufacturing sector which has been in place for years is now 9% of GDP. The informatics sector – 7½%. Now how are you telling me that in less than 5 years the informatics sector has now become so critical and so important to Barbados' economy? Do you know what happened? Someone told Senator Farley that the sector earned \$60 million in Foreign Reserves.

Senator Farley gets his writer to take \$60 million put it over real GDP which is about \$790 million, comes up with a figure of 7½% and therefore goes on to suggest that the informatics sector is 7½% of GDP.

Now let me explain. The earning of Foreign Reserves is completely different to the measurement of value added. I hope, Senator Barker, Sir, that the value added – you are reputedly not an economist.

Mr. PRESIDENT: Senator Mascoll, I would like you to address your remarks to the Chair.

SENATOR C. A. MASCOLL: Sorry, Mr. President. The topic is about management of the Barbados economy. Let me just go on.

So we are saying that value added... Let me explain that value added cannot be mistaken for foreign exchange earnings because when you export a product it constitutes not only what has been added in local value, that is, wage cost and the other inputs but also the imported inputs. So when you take the foreign exchange earnings and express it as a ratio of GDP and then go on to suggest that it is a very critical component of overall spending in the Barbados economy you are misrepresenting the facts. But I can well understand the reason why. There is an anxiety to demonstrate that this sector is a critical sector in the context of the Barbados economy and therefore it will be focussed on in the next years to take us into the 21st century.

In trying to make it a critical sector, do not misrepresent its importance. That is precisely what I am trying to suggest. So as regards the question of supplementary one is now concerned that in order to achieve whatever we wish to achieve in this area we have to be thinking in terms of doing a whole lot more for that sector and hopefully, by the time the next Estimates are prepared, we will see being assigned to that particular sector a critical proportion of money to suggest its importance and not merely misrepresent its importance by way of data, another area that has to be an area of concern for Government.

11.55 a.m.

Another area that has to be an area of concern for the Government is the area of Education and Culture. Now, just let me say this quite early that anyone who has taken time out not merely to be critical of the economic management of the Government in the post 1991 period would recognise that the areas of education and health are going to continue to constitute the most important areas for Government in this country. Why do I say that?

We are beginning to address technical and vocational areas for creating jobs and encouraging the youth, something which must be recognised as an initiative under the Democratic Labour Party administration. Mr. President, I am saying to you that if you understand that the future of Barbados has to do more with what is going to be the role of the Government in the affairs of this economy than any other thing, the future of Barbados, and I repeat, has to do more with what is going to be the role of Government in this economy than any other concern; so all the informatics industry considerations, all the areas of tourism, the critical issue is going to be what is going to be the appropriate size of the Government sector in this economy and more importantly, what is going to be the structure of the Government sector.

The issue of size is easy to deal with. We can always say that size should represent some ratio of the overall economy and we can always say that there are certain areas as a result that we can down-size or up-size accordingly. What I am saying to you is that the size is not the only factor. Structure is far more important and structure is important because if we have certain objectives to take this economy into the 21st Century, then we have to understand that Government has to redefine its areas of priority. Rather than condemn a privatisation venture or condemn Governments for getting out of certain areas of economic activity, one has to appreciate that areas of education, culture and health are going to require an increasing proportion of Government's expenditure. If we all accept that the size of Government has reached a level that is now adequate and appropriate, then one is saying that the question becomes redefining the individual components of the Government sector. In that context structure of the Government is more critical than size for the future.

If we look ahead, we are going to have to spend more money in the area of education in Barbados, not less. We are going to have to spend more money because the areas of research and development are going to become even more critical for Barbados since we are going to have to create more creative people within our educational frameworks; so we are going to have to look to more tertiary education. We are going to have to look to develop the minds of the people more towards the level of tertiary education and other areas as a context. One is saying that education is going to become even more critical as we forge ahead.

The question of health is important as well because you need a healthy working environment in order to achieve the same levels of productivity as you are talking about and in order to improve the same quality of life that you are talking about. All of these areas are going to become even more critical as we move into the 21st Century. We have to redefine the Government's role in other areas.

I make this speech such that Senator Barker and the likes can listen because they need to listen. The question becomes one of redefining Government rather than Government in retreat and that is important to recognise as well.

In the area of trade and industry, no mere tinkering, as I said earlier, with the question of duty-free inputs can restore or can bring us around to a position of prosperity in this area.

Aside.

Mr. PRESIDENT: Order, please.

SENATOR C. A. MASCOLL: Mr. President, you can allow him to do it. I am encouraged by it. In fact, let me explain that the question of duty-free inputs, \$5.3 million will not, and I repeat, will not bring the manufacturing sector around to the levels. I am repeating but I will explain why now.

The issue of the manufacturing sector has to do more with the environment that will be created for that sector in the years to come. Agreement has already been reached at the CARICOM level to reduce the Common External Tariff to a maximum of 20% by the year 1998 and that is important to the manufacturers because that constitutes a reduction in the level of protection offered to local and regional goods *vis-a-vis* goods produced in non-CARICOM regions so that is important.

I go on. The issue of restructuring or introducing into this country a Value Added Tax system is also critical to the manufacturers. I will tell you why. The Consumption Tax will be eliminated. As it stands now, it is a means of protection for local manufacturers, the Consumption Tax that is paid by goods coming from non-CARICOM sources and some goods out of CARICOM. The Stamp Duty which is now 20% on the CIF of goods coming from non-CARICOM sources is also a means of protection for local manufacturers.

Mr. President, with the introduction of the Value Added Tax system, those two taxes will be abolished to such an extent that the level of protection offered to local manufacturers by way of taxation would have been reduced dramatically so I am saying to you, Mr. President, that when you look ahead, the issue for the manufacturers is not one of merely the provision of duty-free inputs because Jamaica, Trinidad, all of the rest of the region, once they have such a Value Added Tax system will be enjoying such a benefit. The question therefore is can the manufacturers of this country with the kind of wage structure which we have in place compete effectively against other CARICOM countries far less non-CARICOM

countries when we look at the question of wage structure and other areas of competitiveness.

It goes further. We have recently implemented a surtax which was supposed to offer local manufacturers protection. As a result of the removal of the import licenses and other non-tariff barriers which were dismantled in many cases, some still remain on sensitive goods, there was a surtax introduced. That surtax of 100% on sensitive goods in some cases and 65% on other goods which are deemed not to be as sensitive, will be systematically reduced to zero over the next four years.

What one is saying is that in that environment again there is another element of protection which will be removed on the local manufacturers. If you do not move towards those kinds of policies, you will be left behind. More important, for too many years the consuming public of Barbados has been called upon to pay excessive prices for goods they can otherwise access rather more cheaply and even more valued goods. It is not a question of Government.

Aside.

SENATOR C. A. MASCOLL: It is okay. They can do that. I will seek to educate the Senators in this area. In the area of garments, the question of protection started as far back as 1934 in Barbados when, as a colony, the British thought it appropriate to ensure that this small market was kept for them and therefore there was an Act introduced into Barbados as far back as that period. It has nothing to do with any B or D. It is a historical relation. Out of the very condition that the British at that time saw this market as a market that had to be protected. If you look at historical developments you will recognise that it is one of a misguided, in some cases, philosophical position held by the British at that point in time which continued and the Act was only recently amended in 1994. That was to introduce the surtax.

12.05 p.m.

So the question of apportioning blame, I am not here to apportion blame to administrations. It is a question of understanding that we have reached a stage in Barbados where a complete rethinking of the system has to be adopted. A complete radical shift in terms of philosophical positions, and that goes for any administration that is going to rule this country. So do not be fooled, you are not going to be able to survive in an environment unless you make quantum leaps or shifts in respect of certain areas of economic management and policy within the next couple of years. That is a known fact.

Any person who recently heard discussions surrounding the question of GATT, the recent seminar that was held in Barbados, would recognise that there were

some very candid statements made during that seminar which suggest that certainly the region as a whole has to rethink its position in relation to international trade. So do not think at all that we can exist in a vacuum and ignore all the realities that are happening around us.

In fact, anyone who could think that is certainly myopic in today's world, and that is the same kind of misinformed position that was taken by the Honourable Prime Minister in relation to the IMF. How could the Barbados economy – a small 166 square miles economy, less than \$3 billion – can in fact tell an international organisation, amidst all that is happening in the world, that it is going to shed the International Monetary Fund. It is political posturing that has to be ignored.

Let me explain further that the region as a whole would have to look carefully at the whole question of NAFTA (North American Free Trade Area) because what one is saying there as well is that although we recognise the importance of CARICOM there is a stronger force and that force is so strong that Trinidad has already sought to become part of that force. Once Trinidad adopts that position and Jamaica as well is so comforted to adopt that position then we will have to rethink the whole question of CARICOM over the next couple of years. So the question of NAFTA again is looming, a question which has to be dealt with, not on the level of rhetoric but at the level of understanding that the environment in which we are operating in today's world is one that has changed and will continue to change because the dynamics are there. So we cannot ignore the dynamics. The Ministry of Trade, Industry and Commerce and the like, giving all this hope to the manufacturers that simply removing \$5 million will all of a sudden return all kinds of glory to the industry is not one that you should give them false hope on.

I have said it before, Mr. President, it is a move that I, as an economist, would not condemn because any reduction in taxation for the manufacturing sector is welcome but there are other more critical realities which you all have to recognise and respect and appreciate that are fundamental to the progress of the manufacturers and I have no doubt that Senator Goddard well appreciates where I am coming from. A man who has been in business for a long time well appreciates where I am coming from and should be very candid in relation to some of these issues.

The question of the Ministry of Labour and Public Works supplementaries; this is an area again which has to be addressed because there are some other critical things which are emerging within the labour force of Barbados which have to be addressed. The whole question of severance payments which was addressed by the last administration and indeed again there must be some source

of discomfort when one is a businessman and one becomes a politician in relation to certain policy issues.

Certainly any business person in Barbados who is candid will recognise that the Severance Payments Act of Barbados which was recently amended was amended for the precise reason of creating an environment in which employment can be better generated and more safely generated. This is by the private sector of Barbados because it is known that the Severance Payments Act was indeed a deterrent to employment creation in Barbados and therefore one is saying that the whole question of the Ministry of Labour would have to look at even more critical areas rather than just be concerned by the whole question of 8% cut and whether or not it was permitted, or severance payments.

These things are critical and fundamental to the future development of Barbados and therefore the labour market environment must also be conducive so I have some difficulty as I can see that others would have on the other side when they look at the question of the provision of creating a labour market that is conducive to the future. Senator Farley when he was on the other side in the private sector would certainly have found comfort in certain measures that were taken in that area and therefore to merely suggest for political expediency that you are going to revisit the Severance Payments Act to bring it back to levels which you think are rather more generous, would in fact create to my mind some source of discomfort when you have now straddled the other fence and become the political directorate.

So one is saying that the area of labour would also require other areas because you are going to create, as I said earlier, six thousand jobs per year it therefore means that you are going to create three thousand jobs over the six month period to the end of the fiscal year. So therefore one is saying that it should have been made clear that when once an economic environment is in place that you cannot alter the economic environment within your first month of office to create five thousand jobs in the first year and you should have made those kinds of issues clear to the people of Barbados. So you must recognise and respect that. Therefore one is saying ...

Senator you would appreciate how I am talking because you are on that level. One is saying therefore that the question of the economic environment should have been explained to the people of Barbados that you cannot have a situation where within the first month of assuming office you could have created an environment or redefined the environment to create those kinds of jobs that you are talking about. Then you have some people in the private sector who even without having imported one ounce of raw material could come and suggest to the people of Barbados that over the last two weeks they have been able to create 200 jobs.

Mr. President, the removal of taxes on inputs the benefit could only be had if you imported raw materials. If therefore you are telling me that within a week of the removal of the duties that you were able to create 200 jobs you are indeed suggesting that almost overnight, without having imported any raw materials you are able to take that benefit and transfer it to such an extent that you are creating 200 jobs.

12.15 p.m.

Now that is not business sense. It is not business-like and therefore I do not know whose business it was to come and support a position like that publicly when one is recognizing in fact that that could not have been achieved from the point of view of realism. Therefore, that is the kind of artificial support that is being given to a policy and we continue to see other artificial support being given to a policy because certain interest groups have in fact now colluded to such an extent that we are beginning to see that kind of force coming to the fore after the election.

You cannot tell me that even though you have not imported one thread of raw material since the measure that you are able to pass on benefits to your workers and periods when you are making profit you find it exceedingly difficult to negotiate with the Workers' Unions to give benefits to your workers. But now all of a sudden you are in a position where you can give them benefits even when no benefit has yet been derived by you as a firm.

I am saying that the question of labour must be looked at critically and that the issue of merely political posturing on the issue of severance payments will have to be revisited and that certainly the very cohorts, the ones whom you embraced over the last few weeks or months, would also take a very radically different view if you are to make amendments to that Act to restore the generosity which was supposed to be at the top of the generosity scale among all Severance Payments Act even prior to the amendment and, even with the amendment, it remains a pretty generous severance payment. If you are talking about employment creation as has been the battling ground over the last election, then every policy position that you can come to facilitate employment creation must be adopted. Therefore, when measures are adopted that are going to make the environment conducive for job creation, you cannot merely poster and suggest that these measures are inadequate.

I have no doubt that deep down inside that there is an understanding on the other side even if the absence of knowledge that measures which have been put in place cannot merely be revisited and radically amended for the sake of suggesting that the environment which has been created is not an environment that is conducive. If you

have set about merely to change for the sake of demonstrating that change is necessary, even though you cannot demonstrate why it is necessary, you are going to fall right back to a position where we were before and no one can dispute that the post-1991 period in Barbados as far as economic management is concerned represents a period of transition in this economy. For the first time in the economic management of Barbados the technocrats had access to meaningful data, and I mean that, upon which they were able to make sound decisions.

Aside.

SENATOR C. A. MASCOLL: Senator Barker does not know because he never entertained economic thinking before. He is not an economist really and he knows that. He is now parading as an economist. It is expedient for him to do that. But Senator Barker is a statistician as he well knows and therefore I would like you to publicly denounce or to remove yourself from that position. You know that only too well. It will not be easy. You do not have the record to show that you are. You know that only too well, Senator Barker.

The question of the environment, Mr. President. This is an area that has been recognized as important and critical, an area that internationally has emerged and, in fact, has so emerged that it is now being considered very highly by international institutions in making available certain loans for developing countries. So it is an area that we all have to be concerned with and it is an area that requires very sound management as well. Because when we are talking about the environment, we are really talking about the interplay of all of the forces within the economy, human and non-human resources within the economy. Therefore, to merely look at this question of the environment in cosmetic terms cannot be the way forward. You have to see it as a critical element for the future and you have to treat it with that kind of importance and seriousness. I am inviting that we not only decide to pay lip-service to the environment but that we understand that there are going to be serious difficulties in terms of truly putting systems in place to manage the environment of Barbados. Again, I would like to see whether or not that in the same way provisions for professional services have been allocated under other areas within the Supplementary Appropriation Bill that there be professional services also allocated under this particular Ministry. Because this Ministry is going to require as a prerequisite to any position that will be taken a comprehensive analysis of the environment and what the needs of the environment are before we move towards simply spending money in the area of the environment.

I am inviting because of its newness a fresh approach to the whole question of the environment. It is an area

that is exceedingly critical. It is an area that requires a very comprehensive analysis before we even proceed along the lines of managing the environment. Therefore, I hope that in the same way we are seeing cropping up throughout the Supplementary Appropriation Bill professional services that we will see professional services under this area to have a comprehensive study done and not merely spend money in looking to see whether or not Tom Dooley spent "X" in some other administration. Those days are gone. Look ahead.

Aside.

SENATOR C. A. MASCOLL: Frightened? I am new to this game so I do not have to be scared. I have no baggage to carry. I would not slip on the edge. I would not even be edgy and any hill which I attempt to move down, I can easily push my brakes and stop. So you do not have to worry about me. I would not edge down any hill.

So you do not have to worry. I will stay firm.

Mr. PRESIDENT: Senator Mascoll, try not to be distracted.

SENATOR C. A. MASCOLL: I just have to stop and refuel. Mr. President, let me say therefore that I am looking forward to wise money being spent in the area of the environment. We cannot simply come into Government and alter the course of action without understanding the need for comprehensive framework within which to operate. In fact, that constitutes a major failing as I can see – I can predict the failure – of the Barbados Labour Party's administration in relation to its manifesto. Because therein contained is a whole gambit of policies designed to appease particular interest groups without recognizing that there is need for a comprehensive conceptual framework within which to manage this economy.

Sir, I am saying to you that that really is a major problem with the manifesto and to my mind, since it is now being regarded as a social contract, it demonstrates a major absence of philosophical framework. In that context, I am asking the Senators, Mr. President, to so redefine and conceptualize the future that they understand the future is all about having an appropriate framework within which to manage. The same thing applies and it has been adopted in the private sector. It means effective management and it means a framework. I can understand Senator Murray's position in relation to that because...

Aside.

SENATOR C. A. MASCOLL: The "Nation" really is an appropriate word. It embraces everything – devoid of a philosophical framework.
12.25 p.m.

We are saying that coming to the Senate and asking for supplementaries in this area, while recognising, according to your research, that you needed \$66 million but that you are asking for \$19.8 million, is a fair recognition that the good work which was being done by the Democratic Labour Party's administration was interrupted and that what we are now seeing is the eventual expenditure that will be met which should have been met, but this does not truly constitute a rethinking or redefinition of the future. That is why I loaded my speech with concerns about the future and what the areas of Government expenditure should be in order to reflect our attempts to ensure that the objectives which we have outlined as a Government can be met.

Aside.

SENATOR C. A. MASCOLL: The question here, Senator Barker, is not about quantity, it is about quality. It is qualitative.

With respect to Housing and Lands, the whole question of housing has to be redefined in Barbados. Housing has nothing to do with merely the building of houses. What one is saying is that you have to understand that the housing that is going to be required in the future is a housing which gives a start to most low and middle income people in Barbados. Gone are the days when Government can simply build houses at very high cost and then subsidise them. Therefore, I am saying to you that simply to restore mortgage interest deductions or to restore repairs will not take us forward in the area of housing. Senator Barker does not understand this, because he never did an analysis of it.

What has happened over the years is that only about 20 000 people were submitting income tax returns at the last count and less than 3 000 of those people were claiming mortgage interest. We had a situation in which 2 517 people were getting as much as \$17 million in allowances for mortgage interest and that cost the Government no less than \$7 million to \$8 million in taxes. We had a situation where less than 3 000 people were claiming \$13 million for repairs, and what is unfortunate about it, Mr. President, is that people were building all kinds of things and claiming all kinds of things for repairs and therefore it had to be addressed.

Mr. President, we have a situation in which the whole question of housing has to be rethought. We have to rethink it in terms of allocating scarce resources to areas that are going to require them, and those areas are going to be in the middle and low income categories. You cannot now think simply in terms of making provisions within a tax system for the building of houses, and when they sit down to do the analysis they will recognise that most

people were unable to get close to the \$13 000 limit income tax. Even if you restore the mortgage interest people are going to find it exceedingly difficult to go beyond the \$13 000 limit. Therefore, it is a misguided belief that restoring mortgage interest is going to imply any substantial benefit for the people of Barbados, because the work has been done. Indeed, if they were doing their homework they would recognise, but they did not want to, that work has been done to demonstrate that we could have removed Stabilisation Taxes and levies and retained only half of 1% for the retraining levy. We could have removed other such payroll taxes, redefine the mechanism for the payment of taxes in Barbados and at the same time rather than hurt provide benefit for the substantial majority of working people in Barbados. That was done in the direct tax reforms and merely to revisit that reform to reintroduce mortgage interest and repairs to satisfy a particular interest group is not going to be in the interest of the Government itself, because when once it finds itself in a position where the revenue base has been eroded the Government is going to find it exceedingly difficult to be able to manage once again the fiscal deficits of Barbados. That all constitutes part of the fiscal deficit.

Back in the eighties the present Prime Minister of Barbados was quick to say that the BLP administration of the day moved too quickly towards reducing direct taxation and moving towards indirect taxation. Senator Barker would not know, because he did not do any research, he was hardly reading research, but the Prime Minister said that, so what I am saying to you is that the same way in which you said that back in the eighties you have to be conscious that to go and try to reduce levels of direct taxation merely for political gain, while at the same time suggesting that you are going to reduce levels of indirect taxation, is going to lead you down a very dark hole. In that context one is saying that if you are going to suggest lower taxation on the productive sectors, then you have to hold strain in the areas of income tax.

The Prime Minister also has another position on land and property tax, that is, that it should be abolished. That again will constitute another dangerous policy position that should not be entertained. I am saying that if you are moving towards an environment in which you are freeing up the productive sectors in terms of taxation, you have to be careful in the area of direct taxation. Let me explain more fully the reason for that. Barbados, like all Caribbean countries, is an open economy. It depends heavily on imports and exports. The import base of Barbados constitutes the major base from which taxes are derived in Barbados. If you decide to put your emphasis on indirect taxation you are therefore making your tax base rather vulnerable. So when it becomes important for you to pursue demand management to adjust the level of consumption in the economy it therefore means that almost

overnight you are going to compromise the revenue base from that source of taxation. What one is saying, therefore, is that if you are going to move towards indirect taxation then you have to hold strain on the question of income taxes, corporate taxes, land taxes and the like so that you have a fairly secure base because at any point when the economy turns downward there is going to be a fairly quick fall-off in the revenue derived from expenditure based taxation.

12.35 p.m.

An expenditure is quickly adjusted and amended during periods of recession or of economic decline. Therefore since direct taxation is now a more resilient – it has always been recognised as a far more resilient component of the tax base – you have to be careful not to move towards the removal of direct taxes at the same time that you are pursuing a low tax regime for the productive sectors. This is a word of caution I am exercising to the Senators because they have to respect... I repeat if you are going to pursue a low tax environment it has to be a tax environment that can be insulated from the whims, the adjustments in the economic patterns, we have seen over the last 20 years in Barbados.

The business cycle, not only in Barbados but throughout the world, is shortening. Rather than have a 5-year growth period we are now having 2 years of growth only and decline. Once that happens, it therefore makes management of the economy even more difficult. So don't just simply go the route of reducing taxes for the sake of appeasing particular interest groups. I repeat, that sort of management of the economy is no longer appropriate within the context of the new world environment which we find ourselves. We cannot pursue that line any more. Gone are the days of the 1960s and the 1970s. These are real times in which the dynamics of the world economy are different.

I am inviting the Senators to appreciate and respect those positions. You can either listen to me now or you can draw on me later for advice. I am a consultant.

Asides.

SENATOR C. A. MASCOLL: The downfall was not in the area of the economy. That was a political downfall. I had nothing to do with that.

What we are saying is that that kind of thinking has to be respected within the context of the management of the economy. We can get in here and go out there and make all kinds of pronouncements about the future and how we intend to take this country forward but if we do not respect that we have to have a management strategy

we are going to fall by the wayside. What is more difficult is that the pursuit of all of this has one end result – 30 000 jobs to be created.

Excellent programme! I cannot explain it, Mr. President, in this environment but when permitted I would.

The consequence of all of this is the creation of 30 000 jobs so I invite not only that you come here to look to spend money but you can well understand and appreciate the environment in which that has to be done, more importantly, the level of expenditure which we are seeking since the supplementaries are only part thereof – they are \$19.8 million. We expect that the Ministry of Health will be coming for a separate supplement at some point in time and I wish to see the magnitude of that. We expect that other areas within other Ministries will also be coming for supplementals. Therefore one is saying that since you cannot impose any taxation on the people of Barbados you have to be very cautious in the areas in which you are spending. You are caught between a rock and a hard place.

The whole question of the size of the fiscal deficit, the financing thereof, is going to constitute a very difficult proposition up ahead. The very Ways and Means Account of the Central Bank which you are suggesting you should not exceed can easily be exceeded, especially in the absence of any ability to borrow from foreign sources.

Indeed, another word of caution, when you set up your capital expenditure programme in the next fiscal year you will have to look for new sources of financing. You have already tried initially to suggest that the IMF cannot be entertained. Foolishly so! You tried to suggest that that was supposed to be entertained. Foolishly so, so what one is saying is that in the future the constraint on you is that the foreign borrowing component is more or less dried up and that you have to look inwards for financing.

What we are saying on this whole question is that I can well anticipate that there will be very severe difficulties if you pursue this path of expenditure. When you move from a capital expenditure which you tried to suggest was contracted or reduced because of forecasting techniques, you are misrepresenting the facts and the issue. It is more because of the need for prudent management of the capital expenditure and expenditure as a whole that the capital expenditure was kept in check. Don't suggest and accuse the civil servants of Barbados of being inappropriate in terms of making forecasts on issues which they are well positioned to make forecasts on. You should not be publicly condemning the Civil Service anyhow on an issue like that. That is an issue that should have been dealt with technically within the bounds of the Ministry. You have come publicly and castigated them for not having adequate

forecasting techniques. Yet still you are now boasting that the process of computerisation within the Civil Service has started and hopefully will be accelerated over the next coming months. On that hand, you are saying that they are not adequately tooled to do the work, but yet still you are condemning them on the other hand for inappropriate forecasts. It is not the way to start.

I will get all kinds of opportunities during my sitting in this Senate to explain all kinds of things to some individuals who once were teachers but have now become students of mine in this area.

Asides.

SENATOR C. A. MASCOLL: Mr. President, the evidence is there to suggest that it is not merely a question of confidence. I can demonstrate by way of publications that I have been making over the years not only to address issues in public but my work ethic was such that I translated that into something productive. As a result of my writings, I can boast that I made some contributions. I don't know who else can say that in the Senate.

Let me continue to suggest that one can well appreciate why you need to come to the Senate to require of it to pass an Appropriation of the order of \$19.8 million. I can well appreciate that because it demonstrates the programmes which were put in place and interrupted by the political process are still in place and are still working and functioning and therefore have to be dealt with adequately from the point of view of committing yourself financially. This is all this represents. This is just an indication that the good work started way back in the post 1991 period has continued and has borne such fruit that we can see all kinds of boasts about the tourism sector, all kinds of boasts about the Gross Domestic Product of Barbados.

Aside.

SENATOR C. A. MASCOLL: There will hardly be any boast in that area because \$5.3 million will not do it and I can tell you that. I will debate that with anyone who wishes to debate it. Therefore what one is seeing is a representation of the good work.
12.45 p.m.

Asides.

SENATOR C. A. MASCOLL: Mr. President, I have noted that you have not yet interrupted these Senators for making cross-talk, however, I will continue.

What I am saying to you is that we are looking at a situation in which this is only part of a package to come. But in my winding up I would suggest and I really want

to suggest this – this is serious stuff – that the whole reason for the prudent, fiscal management of the Barbados economy over the last three years is the issue of the foreign reserves of Barbados.

There is only one constraint in any CARICOM or Caribbean economy. If all CARICOM economies were able to access all the foreign reserves that they wanted, there would be no economic problems in the region. I repeat that. There is one constraint to economic management in the region, the constraint is one of the ability to earn foreign exchange. If we were able to access all of the foreign exchange which is required, there would be no need to have a prudent, fiscal programme. There would be no need to manage your productive sectors well because you would, in fact, have access to the consequence of good management which would be foreign reserves. I repeat. If we had all the foreign reserves which we wanted you would not have to worry about fiscal deficits. You would not have to worry about the private sector doing this or that because we could all be employed. We could all have economic growth. We would have no economic problems because that constitutes the only major or basic constraint in any economic management programme for the Caribbean.

Having said that, Mr. President, we all recognise that over the years we have not had a situation in which we can rest on our laurels and feel comfortable about our reserve position. There is no reason to suggest that since the election, that there will be any better economic management team. Therefore, what one is saying is that regardless of the personnel who are called upon to manage the affairs of this country, there are going to be some basic requirements which have to be attended to and those basic requirements require prudence on the part of the economic managers to respect that the foreign reserve position is the thing that we have to target. In that context, the critical factor which affects the foreign reserves of Barbados is the borrowing of the Government from Central Bank sources. That has always been respected.

Let me explain why, indeed, there was a situation why that Ways and Means Account at the Central Bank was exceeded. The reason why it was exceeded is because throughout the structural adjustment programme...

Aside.

SENATOR C. A. MASCOLL: I will explain. It was broken before in 1984, during the administration of the Barbados Labour Party. It was broken more than once. But let me explain why it was broken? During all that period when the financial markets internationally were buoyant, Barbados had unlimited access, to some extent, to foreign

borrowing. During a structural adjustment programme, emphasis is placed on ensuring that the economy is managed in such a way that it creates its own foreign reserves. As a consequence of that, there were situations in which you were called upon to service your foreign debt. In the absence of borrowing to service that foreign debt, the Government therefore had to rely on other sources of financing. You did not have an offsetting entry from a foreign source in order to offset the foreign outflow. So what you have, in the absence of being able to access the private sector market internationally, Government was in a position where every time it paid foreign debt, the Ways and Means position at the Central Bank went up. It is simple. Anytime you make a foreign commitment on Barbados, since the Central Bank is the bank for the Government, the increase in Ways and Means is automatic for any foreign exchange transaction, therefore, one is saying that in the absence of access to foreign borrowing, that you could not replace the foreign reserves which we would have been called upon to pay for the loans. Therefore, as a consequence of that, you had a situation in which it was exceedingly difficult. Prior to this period, at the Central Bank whenever you made a foreign borrowing you were able to use it in part to reduce the Ways and Means. Under the Structural Adjustment Programme you were not able to do that. Therefore, as a consequence, one saw that there was increasing pressure put on the Ways and Means Account.

Now, Senator Barker does not understand those kinds of technicalities. He does not really understand and I know that very well and he knows that but he would not admit to it. Not economics because Senator Barker is not an Economics Lecturer. He taught Statistics. I repeat too. He is not an economist. He knows that.

Let me go down the road. I am saying to you that I look forward to measures coming to the Senate in many different areas which have to be addressed which I know of, in the areas of the Value Added Tax system, privatisation, the restoration of mortgage interests and repairs and expenditure management in this economy. I look forward to debates which will ensue from those policy positions because, I repeat, they are going to constitute a critical transition point in this economy.

I am asking, and I repeat my favourite expression for the day, that the necessary conceptual or philosophical framework is found in which to locate all these policies because the future of Barbados rests with a clear understanding of the role that Government must play and the size and structure of the Government sector for this economy to be taken safely into the 21st Century.

I thank you.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that the sitting be suspended until 2.00 p.m. today.

The question that the sitting be suspended until 2:00 p.m. today was put to the Senate and agreed to and Mr. President suspended the sitting accordingly.
12.55 p.m.

RESUMPTION

Mr. PRESIDENT: This sitting is resumed.

SENATOR HON. P. C. GODDARD: Mr. President, I rise to respond to the rather long dissertation of the Honourable Senator just before lunch and to let him know that this Bill that is before us addresses no new programmes of this Government. I might, for example, point out that the sum of \$300 000 being requested for professional fees relates back to a study that was done in 1991/92 and this is a result of a follow-up programme to that study which is to complete that process.

I am not going to get into the details of the budgetary process but what I would like to talk about is the comments by the Minister of Finance regarding the money that would have been lost, and I would say "lost" in inverted commas, as a result of the removal of taxes from the industrial and agricultural sectors. That word "lost" is a fictitious loss, and that figure here can readily be demonstrated to be a fictitious figure because by stimulating the industrial sector and stimulating the agricultural sector you will stimulate investment. Therefore the importation of capital goods and products will rise as a result of that stimulation and therefore the bookkeeping entries will change and I hope that we will give up \$15 million. In fact I hope we give up \$50 million because it will then show to what extent those sectors have been stimulated and to say that you have lost it is to lose something that you never had, because of the draconian measures imposed on the industrial sector and the agricultural sector it dampened the investment process. It destroyed the soul of industry and it will destroy the soul of agriculture and other business activities.

If the Honourable Senator needs a demonstration of what has happened since September 6, he needs just to walk down Broad Street and see the smiles on people's faces and see the spring in their step and to understand there is a new spring in Barbados, and it is this enthusiasm that will drive the economy in the future. The Honourable Senator is an economist, Mr. President, he is not a businessman. He is not a politician and he does not understand the human reality of what drives an economy.

It is about people. It is not about numbers. You cannot bring a bean counter solution to this economy and that is precisely what the last Government did and that is precisely the seeds of the destruction of this economy in the last few years.

This is the sort of thing that people have to understand when they address the economy. It is not just numbers. It is not just figures. It is not a statistical thing. It is about people and it is about motivating people and creating an environment to generate a buoyancy and a confidence. And confidence arises out of prudent, honest, open management of the economy. Printing money and breaking the law cannot generate any level of confidence.

When it comes to the issue of agriculture and fisheries, it was the Government of 1976 to 1985 that developed the fisheries. It was the Government of 1985 to 1994 that ignored them and watched them go into decay and recognising that they did not have the money to do things, did not put in place the mechanisms where private citizens could have come to the help of those institutions.

The Honourable Senator talks about privatisation but he has to understand it. The last Government mouths the word privatisation and talks about control and acted on the basis of control. How can you privatise an institution by selling 20% of the shares in that institution and maintaining 80%? Do we understand the invidious nature of minority shareholders? The whole issue of a philosophical approach to understanding the business of Government and to addressing the economy of the future is well spelt out in the Manifesto of the Barbados Labour Party. It is a sound document, Mr. President. It is a document that is well thought out and it is a document for which the leader of the Barbados Labour Party has committed the Government of the day to a social contract with the people of this country. It is a blueprint. It is nothing to be repudiated two months after its publication as was the Manifesto of the last Government.

We talk about wage structures and other areas of competitiveness and the fear for an open market because of these things. In the industrial world of today the issue of wage competitiveness is relegated to the back burner and I am sure that the Honourable Senator understands this. It depends on the productivity of the people who are earning those wages and you cannot leave out productivity in the equation when one is considering these things. To get productivity you have to stimulate investment and you have to give the people the tools to work with and the tools of today is the information technology of today.

The Honourable Senator said something which I agree with and that is that we do have to increase our investment in education and training and perhaps we will return to the time when the training levies would be used for training

people and not just going into the consolidated fund for building things like Sherbourne. So while he understands the need for training people, his understanding was at divergence with actions of the past Government and, Mr. President, this Government is committed to the development of our human resources and the development of our people to the fullest potential possible. We must understand those things and I agree with the Senator that we are going to have to increase over time the expenditure on education and training.

He states that the environment is an emerging issue. Well the only thing that emerged out of the last Government's perspective of the environment was "Mount Stinkeroo" that emerged out of the ground like a volcano and so burnt like one. If that is understanding the environment, if that is understanding management, I am amazed. Certainly this Government is approaching that issue with all possible haste but also in a prudent manner so that those actions will have long lasting positive effects on this community.

I think, Mr. President, that the Bill that is before the Senate today relates to the actions of the previous administration. It is covering a hole or a void that was left. There is no doubt that the procedures that were followed in the expenditure of money in some Ministries were imprudent that there was no track of cash flow and that monies were spent were not authorized by the House. This will be the subject of further discussion in both Houses as far as I can understand it.

2.10 p.m.

Once again, Mr. President, I am going to be brief. I would like to remind Honourable Senators that the economy is about people. It is about prudent management, fiscal responsibility and setting the example from the top down. That is what this Government intends to do. The message is clear from the Minister of Finance and the Honourable Prime Minister and he has sent that message to his Cabinet. It is this that is of prime importance. It is returning confidence to the people and the investing public of this country and it is getting things moving again.

We talk about the 30 000 jobs as though it should be something to scare us. But it is an achievable objective over the term of this Government. It is not just the Government of Barbados that is going to do this. It is the people of Barbados that will achieve this. The Government will provide the people with the tools to do it and the people will do the job.

Mr. President, that is the future as I see it. I recognize that we have further Bills to bring before the House for other expenditures when certain investigations have been completed and the business is put right. We are not rushing anything. We are not going to come to this Senate

half-way. We are going to bring thoughtfully and carefully structured programmes that will come to this House and will have good sound basis for the expenditure that we are going to be making.

Certainly, on the last bit, I would like to point out that, though taxes may be reduced when the economy is stimulated, the tax revenue will rise. So while the rate is down enhanced economic activity will increase greater tax take for the Government and we will have a balanced budget. We will not be coming before this Chamber and rubber stamping the printing of any money at the Central Bank as was done in the past.

Mr. President, thank you.

Mr. PRESIDENT: Senator Springer.

SENATOR The VENERABLE ARCHDEACON J. L. SPRINGER: Mr. President, as I understand it, this is a bit of housekeeping which we are getting involved in. I am pretty sure that today provides the dress rehearsal for the debate when it comes on the Estimates later on. So that I will begin by saying that I cannot see why anybody would want to fail to support the Bill that is before us.

Sir, I would like to make a few comments on the Head of Agriculture under Head 25, Sub-programme 01, which relates to the Scotland District. Recently, I was driving through St. Andrew which I often do, but this time because I anticipated this debate I looked more carefully as I went through the area of Haggatts and the agricultural farm. I was amazed to find that very little seems to be done now in the area of the orchard and vineyards that used to be all across that part of the island – all run to ruin and animals taking over. I wondered what the irrigation equipment was going to be for which is what comes under this Head, some \$42 000 to complete the year. It is a terrible pity that this is so.

I agree with the previous speaker who made the point that all administrations have up until now not done the best that could have been done for the people in Barbados with regards to the Scotland District. I serve notice here that whenever this comes up on any document in this Honourable Chamber that I will be making my own comments which will be similar to these today. This is not the first time that I am speaking in this vein.

I believe that the only geographical area that occurs in Estimates from time to time is the Scotland District in name. Others are probably referred to indirectly. But it must be at some point somebody thought that the Scotland District was of the utmost importance to this country and therefore required this special designation. I would like to think that it is because of the very special nature of

that part of the island running all the way from St. John through to parts of St. Lucy with St. Andrew and St. Joseph in between and part of St. Thomas as being the most important areas.

Now an area that is so special should require more attention and perhaps a greater injection of funds for the improvement of it. This area is probably one of the most scenic areas of this island and anywhere in the Caribbean. It is that mountainous part of this island that tourists like to go to see. Indeed, it is the part of the island that has many areas of interest if you start from St. John with the Bird Park coming down through Andromeda Gardens, Flower Forest and Welchman Hall Gully. Most of the areas that tourists want to see happen to be either in or on the borders of that part of the island called the Scotland District and I have not even mentioned Morgan Lewis, Cherry Tree Hill and Farley Hill.

Now such an area must merit more attention in terms of the finance that is made available for its development. Secondly, Sir, apart from the scenic there is the fact that that part of the island could well be the bread basket of Barbados. I think fruit trees grow wild across certain parts of that area. The great breadfruit tree which is always in bloom, the poor man's rice so to speak, and nothing seems to be done to develop that particular fruit and make the best of it. The roads in the area are allowed to be run down and also the bridges. You cannot get to St. Andrew unless you cross the bridge. There are more bridges there than in any other part of the island whether you go Swans, Sedge Pond, Greenland, Shorey Village, Lakes Village, the East Coast Road or Dark Hole or wherever. However you approach that area there are bridges. It really does disturb me that up until now we have not developed a policy of dealing with bridges in a way that will prevent them from going at the slightest down pour of rain. I think that area has spent more of its modern history without its roads being opened up than anything else.

I would like to challenge the new administration to look very, very carefully and very closely at that Scotland District area to see that the roads become a priority in order to enable the small farmers in the area to get their sugar cane and other crops out to town or wherever to wayside markets or however they care to dispose of them. Above all, there will have to be some special study of the technology that is available in the world where bridge building is concerned. I think that that can be done.

Thirdly, there is the matter of the animals in the area. We have heard a lot of talk about stray animals about the East Coast Road and destroying the grass and opening up the soil to erosion and so on. But there is also a great deal of good farming that goes on both privately and in terms

of Greenland and other areas like the Greenland Plantation which is of special note because it is the home of the black belly sheep in Barbados and the place where we have learnt how to cross the breeds as to provide more meat on the very lean black belly sheep which was originally here. I hope that this is developed. The kind of funding I see in this Supplementary Appropriation Bill certainly does not bear any relationship to the kind of money that must be injected into this area. I recognise, Mr. President, that this is to tide things over to finish the year, and therefore we look forward to the plans and the amount of expenditure that would be involved in bringing the East Coast, and particularly the Belleplaine/St. Joseph/St. Andrew area back into some useful form where people can pursue their livelihood in that area.

2.20 p.m.

We talk of the importance of agriculture and if I had my way, Sir, the Ministry of Agriculture would be the most important Ministry in this or any administration, but we have tended to refer to it as though it was not important and hence we find ourselves in these kinds of undesirable situations. I hope that the present Minister of Agriculture will do all in his power to ensure that that is not a Cinderella kind of Ministry but one that is of the utmost importance to this country and its future.

But there is one blot, Sir, which I hope will be cleared up. There has been a report in the Press that one of the areas being looked at for the dumping or disposal of garbage to relieve the Mangrove dump is at Greenland in St. Andrew. I hope, Sir, and serve warning, that we do not take this most beautiful part of the island where virtually every tourist has to pass and set up a new kind of Mount or Valley Stinkeroo there. I am interested in the word used by Senator Goddard, who said that that is being pursued with great prudence. I take note of the word "prudence". It will be done in a prudent manner, and I hope that that is the case, for a stone's throw from where allegedly this dump would be proposed we have the clay brick factory and an area that abounds in good clay and, I am told, shale as well which is used for making cement. I do not have to say that St. Andrew is also the place where you get some of the best sand for building. What I am saying is that we need to look at this area in terms of its current and future development and not to do anything that will spoil its beauty and make it an eyesore for us and for the rest of the world.

I support the expenditure to complete what has to be done here, Sir, but my question which I began with would be what kind of irrigation equipment is there? What is it being used for? What has become of the irrigation that once existed among some of these cherry trees? The Bajan cherry tree which abounds in that area, the fruit of

which is never reaped? I hope that something useful can be done, both in terms of financing and the actual technology and agriculture, to bring St. Andrew back on the map.

Thank you, Sir.

SENATOR T. E. BARKER: Mr. President, we have a Bill before us which seeks to allocate almost \$20 million in supplementary expenditure. The first thing we have to make abundantly clear to Members of this Chamber is that the integrity of the Budgetary Proposals must be maintained and what we have seen in relation to the last administration is serious indiscipline in the Cabinet.

I am not going to put the blame on Civil Servants. The Cabinet must take responsibility, because they are the ultimate managers, they are the ones who have the mandate to govern, and when we have situations where Ministries are deliberately overspending the fault must lie with the political management of the Ministries concerned. Too often we want to blame those who are in junior ranks, but, as the saying goes, the buck must stop here.

What has happened in the last administration is that there was almost a free for all where, if you remember the words of former Cabinet Ministers, especially in the No-confidence debate of a couple of months ago, they told you in no uncertain terms that the Cabinet system had broken down, so what we are seeing is the result of all that transpired in the last few months of the last administration. Why in the month of October should we be having supplementaries of such a long scale when no new programmes have been instituted? Within six to seven months, because in March of this year this Chamber and the Other Place debated Estimates of spending for the year.

It is well known that every year there are supplementaries, because the budget exercise cannot be totally exact so that you will know at March how much you are going to spend for the next 12 months. All businesses operate that way. They know that at times they are going to be within a couple percentage points of what they estimate, so we understand that that is going to happen. What has been happening, however, is that there has been a deliberate attempt where some officials know that the money that is budgeted for a programme would be insufficient, but in order to beat the system, so to speak, they put in a figure which they themselves know to be woefully inadequate, knowing that down the line they are going to come for a supplementary. In some cases they actually spend the money before Parliament gave its approval. Such was the goings on in the last administration of which Senator Mascoll proudly claims to be a part.

We in this Government pledge to do better. If this goes on it will continue to damage our country in the way it has damaged it in the past. It can have serious

implications for our relationships with the international community on whom we have to depend from time to time for loans and grants. So, Sir, we pledge ourselves to have prudent management in the affairs of this country.
2.30 p.m.

If a supplementary came in the month of January or February this year, we can easily say that it was probably a result of bad estimation but when it comes in September/October, especially for such a large sum and especially we know that requests that have been forwarded to the Minister of Finance are in excess of \$66 million, when in September the request was \$66 million which is well over 6% of the original figure, it points to a breakdown in the whole budgetary process and it cannot be tolerated and must be condemned in the strongest language possible. It must not happen again.

At the beginning of the financial year there is a balance between expenditure and revenue where under the Law the Minister of Finance must tell the House of Assembly, which has utter responsibility over spending, how the gap, if there is a gap, between revenue and expenditure, is to be financed. When expenditure is allowed to go beyond what is planned we see the problem right away. The result of this indiscipline has been the illegal use of the Government's Ways and Means. It pained me to hear Senator Mascoll justifying what was not only illegal but what was damaging to our economy because he knows very well. He makes the claim – I almost said unsubstantiated, but I would not say that – that he is an economist so he must know that when the Ways and Means is used in that way that it has serious implications for the balance of payments. If he does an analysis he will realise that an increase in the Ways and Means is almost accompanied, with a bit of a lag, by a decrease in the foreign reserves. He knows that and very well because he was well taught.

Sir, the point was made that the reduction in revenue had to be made up in other ways so that if you reduce taxes by \$5 million here that the loss you incur must be made up either by reducing expenditure or by increasing taxation in another area. That point has been made by many persons but they do not understand the dynamics of the situation.

Sir, I was in this Chamber in the last three years and I always pointed out the facts that an increase in the tax rate does not necessarily mean that the tax revenue is going to increase. The evidence is clear, Sir, that on many occasions when the tax rates were increased we had a decline in the actual revenue obtained. And the corollary is also true that a reduction in the tax rate does not

necessarily mean that the revenue is going to decline because when you reduce the tax rate then the cost of the final product is of necessity going to decrease also and you will probably find that you purchase more then.

I know that it has foreign exchange implications but the point must be made that in general the increase in volume will make up for any decrease in the actual rate. It has happened on many occasions, because you can remember that on many occasions the income tax rate in Barbados was actually reduced and in that same year the Government raked in more income tax. It happened to all taxes. So this idea about marrying revenue expenditure in that sort of way is founded on a false conception of the dynamics of the tax system. I am sure that Senator Mascoll knows that what I am saying is true.

The reduction in taxes on the manufacturing sector has been estimated at \$5.3 million for the 6-month period. It is important to remember that. It is over \$10 million for the whole year but \$5.3 million was the figure for the 6 months from October to March. The effect of that on the economy is already being felt because the price of the products from the Pine Hill Dairy has reduced as a result of that. In yesterday's paper I think, as a result of the ease in the taxes on inputs they were able to reduce the price of their final product. What will happen is that the consumer is immediately getting a little break because they are paying less for the product and if the manufacturers were to pass on the savings right through the economy it would help them because in the end they will get more of their products sold.

Sir, in the past three years, the level of disposable income fell because of the ill-advised direct taxation imposts and because of the ill-advised reduction in wages. This meant that the average consumer was hard-pressed to maintain his accustomed level of expenditure and not only that, because of the fall in disposable income, he found himself switching to other brands which he would not normally buy and it worked to the disadvantage of the Barbadian manufacturer because the consumer was forced by virtue of the cuts in his income to purchase goods made in other countries. We see it in various things where he had to switch because the money that he had to buy his goods were reduced as a result of Government's actions. So the manufacturing sector was under severe strain. Although Senator Mascoll is scoffing at the \$5.3 million over 6 months he conveniently did not mention that. It can mean the difference between a firm going out of business and a firm staying in production. The result is that some jobs are going to be saved and in the final analysis we have to make sure that our people are once more employed.

It is not our policy, unlike the past Administration, to have 30 000 people unemployed. Our aim is to reduce the army of the unemployed until it disappears and we are

going to achieve that. The removal of the tax on manufacturing inputs and raw material is but one step in that direction. More will come, Sir, but this is just one step. While the Senator is scoffing at the \$5.3 million, it is not going to cure all the ills in the manufacturing sector but it is one step. It is showing to the manufacturing sector that for the first time in a lot of years they have a Government who is concerned with their plight and will do everything to ensure that they remain in business, unlike the past administration of which Senator Mascoll is so proud to be a member.

2.40 p.m.

Sir, he mentioned the proposed VAT system. I want to say a word on that. I read most of the documentation on the VAT system and among the reasons that have been put forward for the introduction of the VAT was the high level of indirect taxation that existed in the island.

Senator Mascoll and others should know that when they came into office in 1986 the base rate for Consumption Tax was 5% and that is a matter of historical record. In 1987, nine months after the July 1986 Budget, it was increased to 6%. The next year it went to 9% because, as an aside, Sir, I remember in class the evening when this was announced when the then Prime Minister made the point that it had increased by 3 percentage points from 6 to 9, I was teaching my Statistics Class and I mentioned to them that the impression was that it was 3% increase when in actual fact it was a 50% increase. But the then Prime Minister stressed a 3 percentage point trying to convey the impression that it was a minimal increase when in actual fact it was a 50% increase on the Consumption Tax rate.

Sir, every year, except 1990, and 1990 was very significant because it was an election year, but every year from 1987 to 1992, except the election year, the then Government increased the Consumption Tax to now I think it is something like 21%. So the reason for introducing the VAT is, in my view, based on the mismanagement and the misuse of the Consumption Tax by the past administration. If they had left the Consumption Tax where it was there would be no need for a VAT.

All the talk about the tax on inputs, if the tax rate was very low, as it was when we left, at 5% base rate, then there would be no need for concessions because the tax was so low that you did not have to bother your head about it. You could still compete and we were indeed competing with the rest of CARICOM. In spite of the fact that our wages were higher, in international terms, we were still competing but with the impost of a 21% Consumption Tax then we have to give the people all of these concessions because in our time, that is prior to 1986, the manufacturers were not complaining about the taxation

because it was low. It was no real big thing then but because of the misuse of the Consumption Tax by the past administration, they had to get concessions otherwise they could not survive. The introduction of the VAT is testimony to the failure of the indirect tax regime that was put in place by Senator Mascoll's administration.

Aside.

SENATOR T. E. BARKER: Sir, I am hearing an aside but I will just reaffirm it by saying that if the VAT does not reduce the level of taxation in the island then it makes no sense, in my view, introducing it because all of us in here know that the high level of taxation in Barbados is killing all types of business activity, not only the manufacturers in the island. Unless there are urgent measures put in place to reduce the high level of taxation we will not be able to achieve the economic growth that this country so desperately needs.

Sir, if you redistribute the tax burden, which means that people who were not previously paying tax are now paying tax, then common sense says that the rate has to lower if you are going to maintain neutrality. If more people are going to pay the tax, well then you have to lower the rate otherwise you are going to take in more tax revenue. If you are saying that it is going to be revenue neutral well then it does not make sense. What I am saying is that the past administration did not know what they were doing when they were introducing the VAT.

Aside.

Mr. PRESIDENT: Order, please.

SENATOR T. E. BARKER: Sir, Senator Mascoll made a lot of jokes about 30 000 jobs. Now, I do not see it as a joking matter. My reason for it is clear. At the end of last year we had approximately 30 000 unemployed persons therefore any Government which cares about the people must commit itself to eliminating unemployment and you can only eliminate it when you provide 30 000 jobs. It is as simple as that.

Aside.

SENATOR T. E. BARKER: Sir, the Honourable Member can scoff at the 30 000 jobs. I do not scoff at it because it must be our goal because our goal must be the elimination of unemployment, not a reduction but the elimination of unemployment and so we on this side commit ourselves to that goal. We on this side know that as long as there is one person out there who is seeking and cannot find a job it means that there is one family where the children cannot go to school like how they should be and we know that they cannot learn properly when their bellies are empty so all the money we spend on education

\$200 million, a lot is going to be wasted if the children that are going to our schools, the 6, 7 and 8-year olds when the morning comes if they cannot get a proper meal to eat, that is wasted money. We must ensure that every person in Barbados who wants a job gets a job.

The Honourable Senator can laugh until tomorrow about 30 000 jobs. We on this side stand by that figure because it is the number of persons that are unemployed and if we are going to eliminate unemployment we have to find 30 000 jobs. It is as clear as that. I am sure the Honourable Senator knows Mathematics. He knows that because he was well taught. The fact that he does not know economics, as evident by his speech, is not my fault. He will have to blame other people because what I taught him I taught him well and in all fairness to him, Sir, he was a good student, although his speech this morning does not bear testimony to that at all.

Mr. PRESIDENT: I think we are straying a little bit from the matter at hand.

SENATOR T. E. BARKER: Sir, the Honourable Senator had a lot to say about mortgage interest and house repairs. I want to know, Sir, if he was the one that advised the past Government to remove these concessions. I do not know. He is making a lot of claims and on the platforms he made a lot more claims. The people in St. James South we had a different view of things so we did not take him on.

Sir, the point is this that in Barbados every person wants to own his or her own home. Only this morning, and on many other occasions, I had people coming to me asking me to help them get a house spot because if people get a little house spot, they will start with a 16 x 9 and in two twos, as the saying goes, they have a decent house. That is how the Barbadian operates. It is our tradition. When you attack house owning, you are attacking what is very fundamental to Barbadians. It is part of our psyche to own a house, part of our culture and the removal of the concession for mortgage house interests was one of the most damaging pieces of legislation ever introduced by a Government which called itself progressive in this island of ours. No amount of protestation can change that view because people are saying only 2 000 or 3 000 benefitted from that, so what? But the 2 000 or 3 000 are Barbadians. 2.50 p.m.

If you bring measures that help two or three thousand people what is wrong with that? What happens, Sir, and I will make this clear, is that that Government, which the Honourable Senator so proudly represents, when they removed the tax concessions, you know what they did, they also reduced the rate on the top income earners. The top earners got a reduction in rate. I was there. So, Sir,

in order for the country to pay for the reduction in tax, the middle income earners lost their concession to pay for a few of the top income earners in order to pay for that reduction in tax. Disgraceful. It must be censored and condemned in the strongest way possible. I said it then and I will continue to say that it was socially wrong and anybody who seeks to defend that sort of action and calls himself a working class person needs to have his head examined, because what happens, Sir, is that there was a redistribution of income. From whom to whom? A redistribution from especially the lower middle class because they were the ones who really got hit the hardest. There was a transfer of income from them to the top 5% or so who benefitted from the reduction in top rate that happened at that same time.

So, Sir, the Honourable Member can talk as much as he likes. He stands condemned because he always puts forward himself as the guru in the Democratic Labour Party. Sir, there are other members in here who claim to be gurus but, Sir, it seems in the last election we saw who the real guru is – Guru Mascoll. Sir, no wonder the past Prime Minister had something to say about neophytes. Is that what he called them?

Aside.

SENATOR T. E. BARKER: Second eleven team defending his policy. I have every sympathy with him, a second eleven – an intermediate boy trying to defend the action.

So the point is, Sir, that was wrong because it worked against a tradition, it worked against our culture so we have pledged ourselves to redress that and we will do that in due course and even the Honourable Senator will benefit. Not only he will benefit, Sir, but a lot of masons will benefit, a lot of carpenters will benefit, a lot of farmers will benefit because they are the ones who are now suffering because a lot of people cannot afford to maintain a house in the way they should. They will benefit from the concession that will be re-introduced in due course. Because, Sir, when you attack housing you attack the very psyche of the Barbadian so I do not see that the Honourable Senator has much to be proud of if he is the instigator of this programme because it points out the shallowness of their thinking.

Sir, I want to end on this point. I want to remind the Honourable Senator Mascoll that elections are over, the people have spoken, and they have spoken in no uncertain terms. In his case they have spoken in clear terms. He was depending on a majority of 2 000 and got beaten. The people have spoken and they have spoken in clear terms. Please, Sir, please revise the whole programme. Do not

come with a paid programme. You are intelligent enough to be part of that team. Do not come over the same. When he wants to be intelligent he can be but he did not want to be this morning. That is the problem. Sir, he could be part of a team bringing new ideas. Do not come with the same old ideas. We want fresh ideas. So, Sir, with those few remarks I want to support this Bill as I seek, Sir, to allow Government to continue governing this country. Thank you.

SENATOR P. S. BERNSTEIN: Mr. President, I received these documents dated the 14th October, postmarked on the 17th October, on the 18th October and I would like to ask the Clerk of Parliament to send all future documents to Kathy's Limited on Swan Street and it is much closer than the post office and therefore I could receive my documents in time.

I would like also to start by referring to Senator Barker when he spoke just now about Government spending money without voting for it. The situation is that he has to remember that Parliament was dissolved for nearly 4 months and therefore things in the pipeline would have continued.

I also want to point out to this Honourable Chamber that they keep referring to the last administration ever since Senator Mascoll spoke. The last administration, the last administration But the people have spoken and now we have a new administration and the Government should get on with the people's business and forget pondering too much on the last administration.

Senator Barker also spoke about high consumption taxes. As a businessman I recall when years ago in the late sixties, early seventies, on the second page of a warrant you licked a four cents stamp and that was the stamp duty. Then it went to 10 cents and then it was in 1976 that the Government of the day increased it to 2% of the invoice value, then 3% and 5% then 10% and Governments have come afterwards, Democratic Labour Party Governments included, and also increased it. And while you are talking heavily on consumption tax you forget that the stamp duties are very, very high and something should be done to alleviate some of these problems in order that the inflation could be reduced.

I also support Senator Barker with the notion that if we could alleviate the VAT it would be welcomed by the business community. As I see the VAT, when the time comes for discussion that will have serious implications as well.

Let me commend the Government for restoring duty free to the manufacturers even though it is a bit late and many jobs have been lost. I think the manufacturers would like to see the 21% consumption tax removed, that is,

when a local manufacturer delivers garments, particularly garments to the stores, they have to pay 21%. In the case of draperies it is 29% and if we are to compete with other CARICOM countries certainly we have to look to level the playing field by reducing, if possible, that 21% consumption tax. I think the manufacturers would welcome this. I also would like to welcome the relief of duties to the agricultural sector. I hope it would create more jobs and we would become more self-sufficient.

Even though it was discussed that \$5.3 million is a drop in the ocean for a small businessman any type of relief is always welcome and even though it is a small relief in his operation something as little \$50 000 or \$100 000 relief could help a small businessman to stay alive and this is important. I think the more small businessmen we have the more jobs will be alleviated.

As far as I am concerned I will touch briefly on the various topics. Education and Health are two areas where we must give priority to. In the case of Education, it is agreed by both parties in this Upper Chamber today that training is essential. So I will not dwell on that.
3.00 p.m.

In the case of Health, it is my understanding that the Minister of Finance does not want to entertain anymore expenditure in Health. I am not sure if I am correct in saying this. Am I wrong in saying this? It is my understanding that Health has spent over and above what was budgeted and that no more money will be spent for Health.

Aside.

SENATOR THE HON. R. R. FARLEY: On a point of order, Mr. President. The Honourable Senator is incorrect in his statement with respect to the Prime Minister's word on Health. The Prime Minister indicated to the Lower House yesterday that there was a need for greater clarity with respect to the information sent to the Cabinet from the Ministry of Health and he had therefore decided not to include the supplementary request from the Ministry of Health in this Bill, but that after having received the appropriate clarification for the benefit of the House he would be returning to the House with the supplementary vote.

Mr. PRESIDENT: Senator Bernstein.

SENATOR P. S. BERNSTEIN: Okay, thank you for the correction. Once clarification has taken place, and I would like to strike what I said earlier because I was not 100 per cent sure but it was my understanding. As I said,

I got these documents only yesterday evening and I studied them this morning. As far as Health is concerned, I think the new Minister has to seriously look into the areas that are essential and make sure that our health needs are adequate. We have come a long way in health and I am proud to see that the open heart surgery is being performed in Barbados successfully saving many lives and at the same time valuable foreign exchange.

I am going to touch briefly on Home Affairs. Up to a year and a half ago the Oistins Police Station, I was talking to the Sergeant there when I had a little problem and I told him to send me a fax. He said to me, "A fax! We do not know what a fax is." They do not even have a fax machine. I do not know if today they have one. But up to a year and a half ago they did not have a fax machine. I think the Police Force should have up-to-date computers as well as fax machines in all of their stations and substations and priority should be given to this rather than what I read this morning of 4 trumpets and 2 saxophones and that sort of thing. I think that sometimes we can get our priorities a little wrong. Therefore, I would like to see the Police Force get better equipment and also I would like to see the conditions and the surroundings or their buildings improved along with the Court Houses and so on. I understand that is in your pipeline, so we will look forward to these new areas.

As far as the Rural Development Plan is concerned, the Leader of the Opposition spoke about \$200 000 is a drop in the ocean and according to him it can barely build four chattel houses. If this is so, then they have to seriously look at this and I do not want to dwell too much on this because my colleague, Senator Springer, spoke at length on the subject of rural development.

Regarding Housing and Lands, I would like to see the implementation where rental tenants can put their rents towards owning and maintaining their homes. Let them have their own title deeds. This will alleviate a lot of Government expenditure and maintenance. I think that is also in your pipeline. If it is not, I look forward to it being implemented.

We have a problem in Transport and Works. The sooner we get to the bottom of the problem with the minibuses the better. Every day we are hearing and reading of different problems of the minibuses and everyone is blaming the other one. The appropriate Minister has to get his act together and certainly solve all of those problems that are taking place in the bus stand as well as the misuse of the road, which I think all of us who have cars would know that the Police have to get their act together too and make sure that these people are not picking up passengers any place on the street and only at bus stops and that

they conform to the rules and regulations of the Traffic Act. A programme for the constant repair of roads should be implemented and perhaps the private sector should be looked at for efficiency. That is value for money.

Severance Payments – While I support the Severance Payments Act, it has serious non-productive overtones. That is people who have been working for 15, 20 or 25 years in a particular company slow down their productivity with the hope of doing everything possible – and I am not referring to every person but there are some cases of this nature – that they will be severed. It is an incentive to be severed after you have spent so many years. When you have put in 25 or 30 years and you are approaching the retirement age, a few years prior to this there is an incentive to be severed rather than go home on a pension. If something could be done to eliminate this problem, it will be welcomed.

Privatization – As a former board member of the National Petroleum Corporation, I agree with the Government and think that they should seriously think not twice but three times before selling the National Petroleum Corporation and the Barbados National Oil Company.

In conclusion, the BLP has tabled its manifesto in the House and they are committed to reducing taxes by way of mortgage interest and house repairs, house allowances and so on and that, Senator Mascoll, will help to create more jobs. However, the Government has to be extremely careful in how they are going to go about giving concessions and achieving their objectives at the same time. The days of a large Central Bank and Sherbourne Centres are over at least for a few years and, therefore, more prudent management should be given to the expenditure of Government funds. I hope the "spring" referred to by Senator Goddard who has left does not break in the process and that the budget is balanced.

I support the Bill, Mr. President, and my emphasis is particularly on health and education, the youth and ageing, and to the relief of unemployment in the country. Thank you.

Mr. PRESIDENT: Senator Murray.

SENATOR THE HON. G. S. H. MURRAY: Thank you, Mr. President. I would like the Honourable Senators who spoke since Senator Mascoll for bringing the debate back on track. After listening to him extensively, I was beginning to think that he was trying to rehash the election campaign. On the other hand, I realised that he could possibly be practising for a job of lecturing which I understand he may be taking up at Cave Hill. So I thought he was using us as guinea pigs for his future assertions with his students. Anyhow, I am glad that Senator Barker

was here to keep him in line as a former student, although I have to confess that I am wondering how successful Senator Barker was with him.
3.10 p.m.

Anyhow, I just want to say that there has been quite a deal made about some of the money allocations in this set of Estimates which, as the name implies, are supplementary, which means that they are trying to make up. The financial year has another four months, so therefore this is, as Senator Springer quite rightly said, a housekeeping measure merely to tide us over until the new financial year. I am quite surprised that people knowing that could therefore try to indicate that they are inadequate for providing financing for certain areas of activity. They were not meant to be a new set of Estimates, a new Budget or even a new Development Plan, but merely an interim measure to keep the Government going until the new financial year begins.

On the other hand, while they are not new Estimates or a new Budget, by the method employed by the Prime Minister and Minister of Finance they represent not only housekeeping, but a housekeeping in which a new broom is trying to sweep clean. We are trying to restore, as Senator Barker said, some fiscal discipline and accountability to the system.

The Prime Minister has made it quite clear, as demonstrated in his treatment of Health and a few more departments, that he will not just, in an omnibus Resolution where people are lumping all kinds of Government Departments together, go through the motions of passing money without examining and having the Departments themselves become accountable and justify the expenditure concerned. I think that Senators, Public Servants, Ministers, everybody concerned should get accustomed to this new approach to the budgeting of the Prime Minister and Minister of Finance that you will have to justify your demands and not expect to be given golden handshakes in the form of estimates.

Therefore, Senator Mascoll and others who try to pooh pooh things like the \$200 000 allocated for rural development should really take a close look at page 29 of the Barbados Labour Party's Manifesto in which it sets out quite clearly its attitude towards rural development. It says, among other things –

"We will establish a Ministry of Rural Development to implement the rural modernisation programme and generally to advise Government on all matters concerning improvement in the quality of life of the people in these communities."

Therefore, this \$200 000 merely represents the beginning of the process to help establish a Ministry to carry out

the dictates of the Manifesto and should not be seen as representative of the whole rural development programme.

Personally, I think that the rural development programme is one of the most exciting aspects of the Manifesto. I think if people have any imagination they can see what it will do for the future of Barbados, not only in the rural communities but Barbados in general. I know between 1976 and 1986 a previous BLP Government adopted a similar attitude towards Oistins, St. George – do you remember the story of the tale of two cities when we talked of developing a couple of inland cities – and in the case of St. George the Glebe Polyclinic and the development of the Glebe were meant to be first steps in that direction. After that there was going to be a court, a police station and the development of a *bona fide* rural community in that area. But all it takes is some imagination. I am surprised to see that Senator Mascoll, who is supposed to represent the new breed of politicians, is falling into the old and tired trap of his forefathers and not allowing his mind to free up and to imagine Barbados as it could be. Oistins they said could not come about, and Oistins came about. There were similar plans for Speightstown and then some other political figure, with whom I am sure Senator Mascoll is quite familiar, also put an end to that, again because of lack of imagination.

I am going to say that, given a little more time, I think rural development, which will not consist strictly speaking of roads and patching here and there, but really a comprehensive programme to improve the quality of life and to restore the stability of rural Barbados' contribution to Barbadian economic and social life will be clear for all to see.

In addition to rural development we also have to pay some attention to the whole question of housing. Some other reference was made to this and I am particularly glad to see that the restoration of claims for mortgage interest and insurance are on the way back, because as a house owner myself I have suffered severely through the inability to claim these things any further. But speaking beyond a selfish perspective, nobody can deny that this system which has served Barbados very well for generations has worked very well in the past, it has given Barbados one of the highest rates of house ownership in the world, higher than any of the developed countries like the United States or Canada, where more Barbadian individuals own their houses than any other people in those countries, because a good education, a 14' x 9' and a piece of land, as has been said before, represent the Barbadian dream. The end of the Barbadian nightmare that we have suffered for the last eight years I am glad to see is now being put to an end with the restoration of the Barbadian dream in the form of home ownership and things of that sort.

Mr. President, police stations also came in for some consideration. Senator Mascoll made some passing references to the aesthetic attraction of the Hometown Police Station and he tried to gloss over the fact of the lack of furnishings, which amazed me, that people could plan a building but then do not know how they are going to service and occupy it, because to do so would mean that you are defeating the whole purpose and it would just become a showpiece. Would he also like to know that as it stands now, even with the generosity of the private sector in providing some limited measure of furnishings for the police station, it is beginning to leak? There are already faults in existence in the station and therefore it might not be as great a piece of work as he thinks it is.

Mr. President, we are approaching the whole question of budgetary management with a new zest and a new approach. The Ministry of Health, I am afraid, has also had to pay the price for this approach. There was some mention made of Greenland being a possible site for a new landfill, but from my recollection of what has transpired, Greenland is but one of several sites that have been recommended and looked at, and that no definitive position has been taken on it. Like the Minister of Health has established, there has been an inter-ministerial committee set up, which she chairs, which is going to examine the ramifications of Greenland and the whole question of the disposal of garbage. It will not be anything done in secret, we are attempting to apply to it proper analysis and good management, like any other activity in the country. Like for example with the reopening of the site at Christ Church where they dump car bodies, which had caused a problem some weeks ago, not only has that been reopened, not only were steps taken to extinguish the cause of the blaze that created the problem, but also strict instructions have been given that certain built-in security measures and other aspects of good management will have to be maintained in order to try, wherever possible, to minimise the possibility of the action that created that fire in the first place to recur. It is not just a question of dumping landfills on people, but managing them with as much efficiency and as much good planning as possible.

Mr. President, I should like to say that it gives me great pleasure to support this measure and I call on my colleagues to do the same.

Thank you.

SENATOR J. A. WORKMAN: Mr. President, I rise to speak very briefly on the Bill before us today, but first I would like to go back in history a little to just over 10 years ago when you and I were together in our law practice and to wish you well as you preside over us at this time. You went, Sir, to the Nation House, I went to the Upper Room and now we are together in the Upper House.

I think we are all conscious of the breakdown in the walls of our society and as I stand to speak on this Bill, I recall when you were the Chairman of the IDC there was a Church Service at James Street, and I think if you will remember, the Rev. Caleb Cousins was the preacher and you read the Old Testament reading which was from Nehemiah, Chapter 6, Verses 1 to 16. That dealt with the occasions when Nehemiah and his colleagues were being sidetracked by people like Sanballat, Tobiah and Geshem, and he said he was doing a good work and he could not come down. I think this is very applicable to us in this Honourable Chamber because we are here, Mr. President, some from one side and some from the other side and some from yet other sides; but there will be occasions when this Honourable Chamber will have need to put aside the political and other differences and not be sidetracked from the measure which is truly before us, which is, and ought to be, the well-being of our country and the citizens of this country. So on those occasions we ourselves will need to be like Nehemiah and give great study to the measures before us from various angles and join hands together for the rebuilding of the wall of our country.

3.20 p.m.

The wall of the country is that which keeps us in due bounds. It defines our limits. Certainly, limits of our integrity and moral well-being have been broken down in this country and we have been plagued by materialism rather than the well-being of people first. There is just one item that I would like to refer to and that is the question of land acquisition. I refer to this because land is a very scarce commodity in this country and every Barbadian citizen wants to know that he or she can acquire his or her little plot, not only for himself or for herself but for the next succeeding generation.

The acquisitions which will come under this supplementary Bill are of course measures which were adopted under the previous Administration which this present Government necessarily has to honour. When we come, Mr. President, to the management of our land, of that great resource which is so scarce, we need to remember that lots of people are coming to our shores and are seeking to acquire large tracts of land in the name of development. There is much talk concerning golf courses but more, in particular, I would like to refer to the question of casino gambling which is being mooted.

I think, Sir, that the Government or any government of this country must take great consideration on the question of casino gambling and not only casino gambling in particular but gambling in general, because gambling in general tends to create a lust. Casino gambling, in particular, is such that we cannot take persons and isolate them from our community. There is a proposal for a

gaming house on the western side of this country where I happen to be a property owner and the proposals that have been put forward tend to suggest that you can easily isolate tourists and upper middle class persons of Barbados from what are termed "undesirable elements". I fail to understand, Mr. President, how you can look at an individual by her or his dress or nationality or pigmentation and make a decision that an individual is an undesirable element.

The point I want to make is that these persons who will be involved in casino gambling cannot and will not be isolated from our community and can have a negative impact on our community and in particular on the young, inexperienced and the poor of our community who may be looking for a fast dollar. So Mr. President, this Government will need to take a hard look at the question of casino gambling and if necessary perhaps it ought to bite the bullet because there are many of us in this country particularly our poorer people who in the not-too-distant future, before we turn this century, will need to have opportunity to own a stake of land in this country, particularly in those level lands of St. Philip where golf courses are to come and perhaps the idea of casino gambling.

Mr. President, these measures before us today are purely supplementary and I rise to support these measures. They are necessary for us at this time and we shall have more in-depth study on them as the new year comes and the Budget and the Estimates come before us.

In general, Mr. President, I would like to encourage all of us to keep before us the welfare of our people, the quality of life in our community. Let us put behind us the history of the Elections, the history of who is now in power and let us realise that together we need to join hands for the building of our community.

Mr. PRESIDENT: Senator Workman, I just wish to say that your comments at the start of your speech with reference to the Chair are appreciated.

SENATOR Miss P. SYMMONDS: Mr. President, I think that when Senator Mascoll was speaking that he was to a large extent speaking with tongue in cheek especially when he talked about good work in the post 1991 era. I say that particularly because of education and everyone here would have noted that the provision is required to meet operating expenses of the Barbados Museum. Now, everyone here recognises the importance of the Museum to education and heritage tourism. It serves between 6 000 and 8 000 schoolchildren a year. There are programmes for children. There are tours by trained volunteers and there are trained curators to deal with them. They learn about Amerindian history and African history. Their programmes

are really for people from five years of age to twenty-one. The Museum deals with primary, secondary and tertiary and very important, because we have been talking about training today, it also helps train teachers how to utilise the Museum as an educational resource. But, Mr. President, although the museum had been promised that salaries would be paid, they had not been receiving the full amount. Indeed the staff had not received incremental increases since 1990 and the subvention was not covering the salary. There is a problem even with maintenance. They had been told professionally that the roofs, not even roof, would be inadequate during a storm so that this provision is important for education.

3.30 p.m.

Then there is the question of maintenance generally, certainly in the secondary schools. The PTAs, although we recognise their importance in the educational system have, for the past four years, had to do more than usual. Again maintenance has been a very grave problem. There has been no money to repair chairs, no money for painting, for repairing roofs, desks and more than that, there have been outstanding debts, even threats of telephones being cut off. These things have caused frustration among staff.

In the Home Economics Department and the Art Department morale has been low, and in some instances some teachers have even not felt constrained to carry out pastoral and extra-curricula duties. They have not even been able to employ additional staff except for long leave when people have been ill, so that these cuts have hurt considerably. Now, of course, there is hope, hope because people are confident that the economy will be restored and will become buoyant.

I know that we must look forward and not look back at the past and not always keep looking at pre-election times but one cannot overlook the fact that the present is part of the past, and of the future and there is an inter-linking among these three.

I have not been trained in economics although I did start to study economics many years ago and I have some idea of it but I think I do know more than a little about education. One of the things I have learnt is to be able to be brief. Therefore I only want to say at this point that I am pleased to support the Bill.

SENATOR Miss C. FORDE: Sir, I would also like to make a few comments on education and to indicate the reason why I think this particular Supplementary is extremely important. In the Ministry of Youth Affairs and Culture, we have recognised that over the years there are hundreds of children who are slow learners, who perhaps

for a number of reasons are unable to write the 11+ examination or when they do score perhaps between 0 and 39%. I am extremely concerned about that. I know a number of Barbadians are concerned and there is no one who feels worse than a parent who tries to buy all the books, who sends the child to lessons and then this child is at the bottom of the ladder.

We are of the firm belief that every Barbadian child should have a rounded education. Therefore there is going to be a pilot project in the primary schools to help those slow learners along. They may be slow learners, as you know, for a number of reasons. Perhaps it could be to do with poverty, irregular attendance or lacking in a number of skills if they lose on particular stages in their education. Therefore, the pilot project will need some kind of funding.

In the Ministry of Education we have started to inform Principals and Teachers because there is no point having a project going and not dealing with the individuals who have to implement the project. The Principals and Teachers have to implement the projects and so we are getting opinions from them. We are consulting with them because we think that there is a dire need. We cannot only now look at the cream and take off the cream of our population and send them into the prestigious schools. We have to look after the needs of our children who are at the bottom of the ladder educational wise. Therefore the project should be started shortly. I want to push for the Supplementary here because we need the funding as urgently as possible in order to have our programme in place.

Prior to 1991 there were some 95 teachers who were trained in remedial reading. They specifically took out those groups of children that were behind and gave them a special programme. These teachers had a room, the necessary equipment to bring the slow ones along and then they would fit back into the regular class after the reading every day. Unfortunately, because of the structural adjustment, these 95 teachers were put back into the regular system. They no longer specialised and, therefore, these poor readers were left behind. This particular project will now push back these teachers who are still interested in the remedial reading programme back into the school where they will specialise only so that that specific attention will be paid to these slow learners. As you know, Sir, it would mean then that we would need to retrain our teachers and retool them so that they can deal with particular children. I will deal with that a little later.

I am making this point to say that very often we see in the newspaper a lot of our young people, the youth, especially those who get involved in crime, some of them cannot express themselves well. A lot of them cannot

write their statements to say or to indicate what has actually transpired. There is no point having the child in primary school at 8 years old with the problem, nobody is dealing with it and then it goes right through the secondary system and Principals are saying "I am ready to get this child out of school, it is a trouble tree". The child is a trouble tree, as you know, because it has no self-esteem. Everybody pushes him aside. He cannot read so why is he here and a lot of other things. Therefore I think this programme is a very necessary one and I would want to support this particular Supplementary in order for us to get the funds to push it through.

Another problem there is in the Ministry of Education has to do with the maintenance of our schools. We do need a refurbishment programme in every school as soon as possible. Even the new World Bank Schools, some of them were built in 1985 and we can see a lot of cracks, windows are falling off and a number of things. I am of the belief that if there is a proper maintenance programme in place, that these problems like the ones we are seeing at St. Bartholomew's Boys' and so on will really not pose a problem. But a lot of schools are making requests and I think that the funds should be given.

In the situation where toilets have no chains. We have an early childhood programme going in the schools with very small children $3\frac{1}{2}$ and 4 years old, the facilities are not adequate. The toilets are too big for them. The sinks are too high and these funds that we are trying to push for this afternoon will really help to ease that problem for the time being.

The retraining of teachers – as you know in our days the teachers were into the chalk and talk. You know now that we have a different kind of child with all the television, the video and so on. The children now are using different modes to pick up certain skills, therefore, there are numerous requests as well for equipment to help teachers in the classroom to make learning interesting. We cannot talk and talk all day long and expect little children to listen to all of what we have to say. And therefore there is a need for videos, television sets, computers. If we are going to have our children performing those skills then it means that the teachers too must be retrained and these funds will assist in that particular venture.
3.40 p.m.

The final thing I want to say is there is no one in this world who feels as happy as the parent or guardian who can assist a child to do a little reading, to do his homework and so on. The plan of getting the children to start to do some reading and improving their skill is well and good but we are of the belief that the parents should be involved in the programme. Some of our parents are very lacking in the skills too and therefore they cannot assist in the way they would want to, to bring joy to their hearts.

There is also a plan for an educational programme where the parents would be informed of what is going on. They would also be involved in the programme and this would also take some kind of funding where it would be done in the form of seminars, television programmes, distribution of literature to bring everyone on stream.

I am of the view, Sir, that this particular supplementary is an important one and I would want to give my support to the venture. I really do not want to touch on the areas that other Honourable Senators have touched but I strongly felt that I would want to make mention of this programme and give my support to the particular item.

Mr. PRESIDENT: Senator Gill.

SENATOR D. GILL: Mr. President, I rise to speak on the Appropriation Bill which is before the Honourable Chamber for debate. I listened quite attentively to Senator Mascoll over his almost 2-hour speech and though not an economist I have to appreciate some of the skills involved in economics because whereas I should probably have gone on to do a Masters, some 10 or 15 years ago in my discipline, I went on to do hands on experience with two relatively large trans-global companies and we had to know something about housekeeping. Since then I have ventured into my own sphere of activity. And no one, I think, is better equipped to speak about economics of the real life of business as Senator Bernstein had indicated when he spoke about the licking of stamps and that is what you call getting the true feel and you do not really get into manipulating and juggling around with figures and there is no real scope for hindsight because when the bank calls you up, or when the Inland Revenue is down in your neck, or when National Insurance is hounding you down, then pray tell me, the only way out is to be able to be in a very good position to manage your business, and particularly so over the past 5 or so years when small businesses had to endure the harsh treatment of the credit squeeze and not advance funds to retailing, small manufacturing, etc.

I would like to turn my attention, Sir, to that part of the Bill which deals with the environment. Now, no matter how much we speak of GDP and the activity of the international agencies, it is my firm belief that at the end of the day if we do not pay special attention to the environment, if we do not pay special attention to the teaching of economic science then it will all be an exercise in nought. Therefore when one seems to scoff at the relatively small amount, at least you must begin somewhere and if you have not perused the Barbados Labour Party's Manifesto you would see the kind of emphasis being placed on the environmental impact of assessments which should be done in the future, less we create another 'stinkeroo'.

Mr. President, Sir, the water resources of this country come to mind quite automatically the moment you begin to speak about the environment and I would be more than glad to see the day when the environment encompasses our water resources, our coastal project management, the dealing of pesticides, weedicides and sanitation. I think nothing would be more heartening than to see that day. Therefore with another 5 or so months to go and we are about to approve that sum for the environment I think it augurs well for the future.

I would like to endorse part of what Senator Forde made mention of, early education. Whereas Senator Mascoll seemed to have put great emphasis on the tertiary where he said that the development of the tertiary must be improved and intensified or words to that effect.

I think we have come to the juncture right now in our development where we have to pause and look again because as I alluded to earlier on, the science and technology and how we solve our problems are going to be the crucial parts and how intelligent and witty a child we put out in the system. Therefore I do not think it would be sensible to wait until you reach the tertiary level to expend such large sums and I think it would be much to our advantage if we spend a sizeable amount more money in getting our children at the pre 11+ stage as well as the 11 to 17 age group really thinking rather than waiting until you go tertiary seemingly to, so to speak, reinvent the wheel. No moneys can be better spent than at that primary/secondary and post secondary but not necessarily tertiary level.

Senator Mascoll made reference of the quantum leaps and shifts and I would like to draw to his attention that I have heard that term quantum leap used in other disciplines and if he is speaking or if he is bearing in mind the quantum leaps as in the natural sciences as opposed to the social sciences, the quantum leap is a very specific, it is a laser edge term, it is more than precise. There is no room for give here or take there. That is the meaning of a quantum leap, a shift. I think the social scientists must be very careful when they borrow terms like that, Mr. President, from the natural sciences because that is how I interpret that and it could be a bit to their detriment.

3.50 p.m.

Mr. President, the other part which I am very concerned about is that which deals with Head 42 – Programme 15, Ministry of Labour, Public Works, Community Works and Sports, Object No. 212 – provision required to meet the cost of community programmes, seminars and workshops. The austerity measures which practically every Barbadian had to experience over the past few years sort of removed and almost wiped out the real community, because the community is formed out of the

individual and the individual forms the household. Therefore, you can speak of communities irrespective of class or colour and most communities have suffered and suffered greatly as there have been cut-backs here and there. As one of my colleagues on this side earlier pointed out that when you damage the household, you bear a feeling of zero; not having achieved. Then one would ask – why am I an under-achiever at school? Why are you not keen? Why have you lost the whole purpose of being involved? That in no small measure depends upon how the home is managed and, with one and in quite a few instances both parents who are out of employment, the family structure upon which the community is built has been wiped out. I am very pleased to see that monies are being allocated for the community and the development of the community as we have been implying from this side of the inescapable nature of this Bill.

In closing, Sir, I would like to touch on just one or two other matters which I will not go into at length. I would not like to steal anyone's thunder. But I would like to say something regarding that section that deals with housing, mortgages and repairs. I am sure that Senator Mascoll, being as well read as I have concluded from his earlier speech, that he would have seen, read and heard of how the British Government tinkered with mortgage interest and repairs to the house as being credit to your tax return. At one stage, they had drifted away from it and they have learnt their lesson and now they are drifting back towards it. If my memory serves me correctly, the same thing can be said about Canada. We in Barbados have grown to know the great importance of house ownership and we know, to use your terminology, the trickle down effect when one says okay I am going to spruce up my picket-fence, and from there you can see how the coins will start to move. So it is not only addressing a few or a small percentage of our population.

In wrapping up, I think Senator Mascoll should have used that in his opening statement when he spoke of good management. As I started my short address by stating the importance of tight budgeting as understood by people in a small business like myself, we cannot come to a Chamber like this to seek extra dollars. We cannot go to the parent company. We have to do it all on our own. He spoke of the good management which started post 1991 and has continued to bear fruit. Sir, I think that fruit has suffered from blight and you know what must be done when fruit is wiped out by blight. You either allow the fruit tree to perish or you seek technology. Maybe I should have used a different word – fungal infection rather than blight. You seek certain ways and means of either curing the blight by going back to the drawing board and you research and look for the best methods of treating the fungus down the road less you get the same position the following year. I think this Appropriation Bill can be seen as a water-shed position which the state has found itself.

Mr. President, Sir, I am most pleased to be associated with this Bill. I thank you.

Mr. PRESIDENT: Senator Davis.

SENATOR Mrs. V. J. DAVIS: Mr. President, I rise to speak on this Bill very briefly because I in my innocence really believed that in doing a bit of housekeeping that we were seeking to see the continuity of Government and we were here to say yes, that these have to be done and they have to be continued, and that we would have been finished in about 2 hours. Well, I was mistaken. Since I see that everyone has had an opportunity to say something, I thought that I might as well say something too.

Well, I am very happy to see the appropriation of almost \$6½ million for education which I know is just bridging the expenditure on education the next fiscal year. I have heard so many good things about education because it is a great concern of mine. We have always had to question in education why we have to spend so much money on education. But I wonder, if in our concern for practical skills and technical knowledge and our concern for all the things which educators are concerned with, we are not missing out on the whole question of human values and ethics or the whole question of identity, and the concerns of our young people who might have been short-changed by the system because they have not been given any real sense of who they are and where they are going, and whether all we are concerned about is making them into wonderful functioning machines.
4.00 p.m.

As I said, I do not want to take up any more time this afternoon, because I innocently felt that we would have got through this bit of housekeeping a long time ago, but I would certainly want to lend my voice to the support of this Bill, because I realise, as I said, this is simply going towards the continuation of Government and to try to see that the work goes on as we bridge the gap between the last Government and the present one.

Thank you.

SENATOR N. A. LYNCH: Mr. President, I am not going to be long-winded on this Bill for the appropriation of almost \$20 million, but I want to first start by being well aware that the Senator on the other side has warned us from Nehemiah about drifting away from the real order of the day and not to get involved in things that are not necessarily on the Table, and about keeping us on track.

I could not rise here this afternoon without making particular reference to most of the things that were said by

the Senator for the Opposition this morning. It would be remiss of me to leave this Chamber this evening without having to address many of the issues about which he spoke.

I want to begin by way of saying that although Senator Mascoll is a trained economist, he must be well aware that he is not the only one who has any deep financial training or deep training in economic policy as relates to national development. I would like to bring him on track a little bit, even though I agree with some of the things he has said, I also wish to warn him about strictly operating in terms of his economics training without any reference at all to the social implications that many of these measures would have in a developing society.

If Senator Mascoll is privy to a lot of information, he would be well aware that 1993 was the fourth year of really poor economic performance globally. He is well aware of this. In Europe there was really slow growth, in North America we were subjected to weaker than expected growth in that market, and there was continued growth. The only positive sign was the continued economic growth of many of the developing countries, especially in Latin America. I would also like to explain that this is where we are lumped in terms of the global economies, within the Latin American countries. In 1994 the only countries, outside of the industrialised countries, which supposedly had not projected economic growth are those in Africa, but Latin America has proven that with strong, fiscal policies in place we can grow, even if slowly, during 1994 and that other countries around us are growing and were growing while Barbados was growing very, very slowly, and as a matter of fact after three or four years of decline.

I want to say this too. Senator Mascoll also has to relate to Barbados as we relate to our trading partners. He has to be well aware that many of the measures that were put in place in Barbados, especially under the International Monetary Fund's policies, were measures that were meant –

1. to dampen the demand for goods from outside of Barbados;

2. to create high foreign reserves for Barbados and more or less to reduce our fiscal deficit.

What has happened over that is that the International Monetary Fund's policies not only succeeded in a way to do that, but at the same time these measures had some very stifling effects, very serious social effects, upon our entire nation. That is why I say that they cannot be seen in a vacuum, that any time we are going to institute structural adjustment policies in a developing nation we must always be cognisant of the social impact they will have on our nation. That was the reason for many of the social problems which we now face.

As he should know also, the way in which several countries have announced these medium-term budget consolidation plans, which are targeted at deficit reduction, but many of them are inadequate and they generally do not open up for many of the other economic objectives that there are available. Adequate levels of national saving and investment with high external balances are things people should be looking for. Structural deficits will need to be substantially reduced if we are ever to go anywhere, especially in a country like Barbados, but at the same time these deficits must not be reduced to the total destruction of the social services of a country. I think that is what Senator Goddard referred to when he was talking about the effects they have on people.

I also want to tell many Members of the Chamber that this Administration – and I do not want to make references constantly to the past Administration – is going to be moving towards a new awakening, a re-inventing of Government, because Government must no longer only be seen as a deliverer of services. I think what is important is that Government must also be looking at bringing communities and foundations together, both public and private sector together and earning rather than just delivering services, that we must be able to bring business, labour and academia together to stimulate the economy through innovation and through job re-creation, because not only would you go after a public service because you believe that the public service is inefficient and there is where you can make substantial cuts, but you must also look at the environment in which the public service operates, an environment which with its long history of rules and regulations which not only stilt innovation and creation, but also observing many rules which should never have been written in the first place. We want to be able to build strong communities, bringing neighbourhood groups and police departments, for example, together to solve problems that underlie many of the social problems, rather than creating, rather than looking at fixing, proactive rather than reactive implementation. We want to learn to facilitate problem solving by catalysing action through the community. Governments need to learn, and we are going to teach the Government of the past that lesson. The Government needs to steer and not to row. We need to get people thinking and working about who we are and where we want to go. Not just specific agenda items. Governments must be more deliverers of service than they must be just simply spenders. They must also bring the public and the private sector together to be able to solve many of our economic woes.

4.10 p.m.

I want to also add that in this new dispensation one of the things that is going to be interesting to see is the way in which – and I know the Honourable Senator made reference to 30 000 jobs which seems to be well in

everyone's minds – we at the end of the day are going to create these 30 000 jobs. He must also be reminded that although one may think that you have to create 30 000 jobs all at once or within any short space of time that the creation of 1 job in turn creates a lot of others. I don't think that many Members, mostly the Honourable Senator, seems to recognise that.

I want to also add that the only way that we can move forward in a developing country is through sound education and a strong awareness of culture. I want specifically to relate to the part of the Bill that deals with education because it is only through sound education and a serious and sound cultural awareness that we will ever begin to move forward in Barbados.

The only other thing I would like to say before I wrap up – as I said before I don't want to be long-winded – with regards to the Senator's understanding of supplementaries and housekeeping, is that I think that he should be well aware of what the word "supplementary" means. When he rose this morning he did not seem to take a lot of cognisance of the word "supplementary" and what we are really trying to do is only finish up a job which was badly started in the first place.

He should be well aware of that. I dare say that I wish to fully support the appropriation of these funds for the supplementary to the Budget.

SENATOR Mrs. A. THOMPSON: Thank you, Mr. President, for granting me the opportunity to speak. I also was of the impression that once the Leader of the Senate had presented some background of the Bill and once the principal representative of the Opposition had presented his that since we have all agreed that what we are doing here this evening is really trying to make sure that the wheels of Government will continue to grind right up to the end of March that I would not have been hearing so much about what my Government is doing.

Really and truly, if you are presenting a supplementary then you are not necessarily saying to me what the Government necessarily proposes to do. I think a lot of the talk should have been kept for when we are debating the Budget and the Estimates of the new Government. My colleague, I believe, in representing the outgoing Government must put a case in that since we are stating that these figures represent certain costs incurred during the past Administration and since he is representing the past Administration then I think it is only fair that a case be presented on behalf of that Administration.

However, I think a lot of our comments here have centered on a lot of emotion and I don't think we have as yet addressed whether there has been a problem in

Barbados or not. Did we have problems in our main sectors or not? I think when we talk about the problem of cutting back and removal of incentives and adjustment in taxation, whether it be direct or indirect we have not attempted to even look as if it was necessary. Is it a fact that in order for us to provide essential goods and services in this country that the foreign exchange requirement is high and is it a fact that the areas in which we need to earn that foreign exchange have been floundering significantly over a period of years?

I don't know if we should apportion blame and maybe because we have political parties represented in this discussion we apportion; but at the end of the day we are talking about Barbados, the Barbadian economy. Whether you are B, D, Z or R you are a Barbadian and if you have a problem or problems in Barbados which will affect all Barbadians, how do you set about dealing with those problems?

The reason I am standing is because I thought I need to make my little input in that area. I will have a lot to say, I believe, when I see the philosophical approach of the Government to the management of the social, economic and political affairs of the people of Barbados. I will not be guided or led down any trail by a manifesto. I will wait to see what will be presented to this Honourable Senate Chamber in the month of April of 1995.

Having been a teacher myself for some time the area of education does pose some concern for me. I recognise that under the former Administration the Technical, Vocational and Educational Training Council was set up. I believe a sum of \$6 million had been through a project allocated for the training of that large percentage of our children who fall out of the system, who do not enter tertiary education, a set of whom come out of our secondary schools in 5th form and are not capable of functioning in our system.

I am extremely pleased, as a parent, whenever any Government of Barbados attempts to address the future of our youth, because the future of our youth is the future of our country since they will not remain youth for a lifetime. I would support any supplementary which attempts in addition to what has been spent in that area to allocate funds for the further advancement of the development of our young people.

I am also particularly concerned in a positive way about our approach to this rural development plan and I too believe that we need to place some emphasis on the area of St. Andrew. I believe in Barbados that we have there a lot of wealth untapped for the economic development of this country and I hope that our rural development is not one which addresses mainly making sure water mains run to the

furthest part of the country and making sure that tenantry roads are rebuilt and redone but that this will be a comprehensive rural programme which acknowledges that today in Barbados... If you are an employer one of the things you recognise when you conduct an interview is that you can always tell if you are dealing with somebody who is from far out in Barbados or with somebody who is living in St. Michael or Christ Church. We need to ask ourselves why in a 166 square mile island is there that difference even in the way the person projects himself or herself.

I think any rural development programme should seek to address the self-confidence or the absence of a total positive mental disposition of a country person or a person from St. George.

In order for me to be able to stand today to address you, I have had to do a lot of work on my own and I must say with the assistance of my former Deputy Head and teacher of English who sits on the other side of the room, Senator Miss Patricia Symmonds. I must say it does take an extra amount of effort on the part of someone who has been brought up in rural areas in Barbados to rise to the level of persons brought up in other areas. We need to look at that in any rural development programme.
4.20 p.m.

Mr. President, since I have been involved in the recent campaign in the country and since jobs have been a significant issue, I really wait with baited breath. To tell the truth, I would commend and feel extremely proud of any Government of this country which is capable of bringing full employment which is not 100%, by the way. I think for first world countries it is 95%, to Barbados, which means if you have 30 000 unemployed people they are not going to put 30 000 people in work because that has not been achieved in any world economy at all, so I believe you are trying to put at least 90% of those people in work. I welcome the creation of jobs and long-term jobs, not crash programmes, or not jobs which will keep you employed for a period of 6 months or one year and then you find yourself on the streets again unemployed. I hope we are going to be placing a lot of emphasis on the types of jobs which we intend to create in this country for the development of our people.

With those few brief remarks, Mr. President, I do not believe that I should in any way attempt not to support this supplementary. I thank you.

SENATOR THE HON. R. R. FARLEY: Mr. President, at the conclusion of this second reading of this Appropriation Bill, I want to make a few general comments and respond to some of the queries that have been raised. As I stated in my introduction of the Bill, this approximately \$20 million that we are seeking is but

the first of several requests which represent our response to supplemental request in the order of \$66 million.

Senator Mascoll indicated, quite rightly, that in seeking to address these requests we need to be guided by fiscal prudence. We need to take proper account of the fiscal deficit and its impact on our foreign exchange reserves. I just want to assure him that he is *ad idem* with the Honourable Minister of Finance on those issues.

We gave the figure of \$66 million to indicate the extent of demands which have been made. What we are saying is that as we further examine the request, our final position on the level of supplementals which will be accommodated to the ending of the financial year ending March 31, 1995, will be at such a level as will not cause injury to the economy of Barbados. In fact, if we in the next week or two, for example, bring the remainder of the supplementals which we believe are necessary at this point it would, of course, be necessary to leave room within that framework of fiscal prudence and recognising that supplementary appropriation requests are by their very nature unexpected and unanticipated expenses which are of such a nature as must be satisfied in order to ensure that Government does not grind to a halt. We would certainly even be seeking to leave some room for manoeuvring within that guideline of prudence that we will be able to meet some of the surprises that are likely to arise.

That is very important, Mr. President, because there is a matter which is outside the realm of this debate so I really do not think I can address it head-on, but the Resolution which was brought before the Other Place yesterday which was in the order of approximately \$1.6 million, represents one of those types of requests where a matter which was outstanding, of which the relevant authorities who had two years' time in which to take their action did not do so and we found ourselves in a situation in which if that Resolution was not carried in the Other Place yesterday, Barbados might have found itself in an embarrassing situation, almost literally we could say, Mr. President, out in the cold although the temperatures have not plummeted too far down in that part of the world.

The point is being made that supplementals are for that type of expenditure, as far as we are concerned. But, of course, there is need to ensure that expenditure of the type that I made broad reference to where you have two years lead time in which to plan your business, but no provision was made in the Estimates for this year, but still at a moment's notice we have to save a situation. We must still be able to accommodate them in order that we do not bring this fair country into disrepute.

Reference was made, Mr. President, by Honourable Senator Bernstein, of the fact that we need to get away

from what has happened in the past and we need to look towards our own policies and programmes in the future and he is quite right except, of course, Senator Symmonds quite correctly and in her usual eloquent style, which I have been trying for years to emulate in terms of my clarity of pronunciation but I have still fallen far short, she indicated the linkage between the past, present and future. In fact, when one thinks of it in those terms one can appreciate my attraction, I do not know about Senator Symmonds' attraction, to pictures like Time Tunnel, Time Trax and those pictures which involve transporting people across the various time frames.

In all seriousness, Mr. President, we are approaching matters with the clear understanding that there is at any point in time across any continuum in time, only one Government of Barbados. From time to time, however, a particular party may receive a new mandate or a new party may receive a new mandate. In such circumstances as we presently experienced where a new party has received a new mandate, although we are obligated to ensure that because there is always only one Government of Barbados and we all work in the interest of that, we must still reserve the right to re-examine those issues to which the Government of Barbados is committed and determine on the basis of the new mandate which has been issued to the new party albeit one Government, to determine just how we will proceed. To the extent to which that is necessary we will do that but we certainly have no intention of spending our five years reviewing other people's programmes or lamenting, praising or otherwise their programme while not paying due attention to ours.

Unfortunately I am not as well versed in the Holy Book as the Honourable Senator Workman, so I will not be able to find the appropriate analogy to match that but I will ask the Honourable Senator after this Sitting is over so that should I need to make reference I would be properly equipped.

Now, in terms of the linkage with the past, which I would argue is inescapable, you will note that the classification of the Ministries in this Bill that we are discussing today is in accordance with the accounting responsibilities of the Ministries as per the Estimates of 1994/95. Although there has been change in ministerial descriptions and departments have been reassigned, you will note that we are still continuing in that framework. So you will find that for reasons such as that, it is important for us to reflect on where we are going. But the gist of what we have here, however, is a continuation of a number of activities either in the area of professional services which I will explain further a little later or in the area of salaries or in the area of goods and services and some projects which have been started already.

4.30 p.m.

In this particular Bill the main new area which we have is the request for a sum of \$200 000 for the rural development programme. That amount, Sir, represents what would be in the nature of a pre-programme expense. This Government, in keeping with this party's known traditions for good planning and even better execution has decided not to attempt to burden this year's expenses with the full weight of the rural development programme but perhaps more importantly we have decided to establish a framework.

We have a Ministry of Rural Development but we need to allocate staff, we need to examine what studies have been done so far, examine what ideas already exist there, coordinate the work of one or two existing entities. The Cabinet has already approved the membership of a rural development advisory committee or something along that line who will look at the whole issue of rural development and advise accordingly. We believe that it is important.

Prior to April 1, next year and now that we are at the beginning of our planning period for the Estimates 1995/96 to have this pre-programme work in place so that the advice is in and we can see how much of the recommendations we will be able to include in next year's Estimates. So we certainly have not, by any stretch of the imagination considered that \$200 000 is certainly the kind of money that might be required to implement a rural development programme.

Whilst I am on that, Sir, I would want to just briefly give a little insight without of course stealing the thunder of the Minister for Rural Development. We perceive, Sir, that rural development is simply not about roads, although roads are important, but we want to make a holistic attempt at empowering rural areas of Barbados. Traditionally, as you would be aware, Sir, development has tended to focus more on the urban areas, stretching from Hometown to Oistins. The routing of Transport Board buses, for example, they all go towards Bridgetown, which for persons in the Other Place, for example, poses particular difficulty on election day. Because as you would appreciate, Sir, polling booths or polling stations may very well be physically only a mile or so away in a rural district but because of the routing of the buses one would have to go to Bridgetown if one is taking the bus to vote. Similarly with schools and other amenities in the rural areas.

We want basically, Sir, to develop the economy of rural Barbados, not just in terms of revitalisation of the culture in a broadest sense but also by means of empowering the people through human resource development and training, not just in skills but also in terms of the softer areas which Senator Thompson referred

to. Like I said I still do not want to steal the thunder of the Honourable Minister of Agriculture and Rural Development who will expound on these matters fully but just to assure this House that we are looking at rural development in its broadest possible context and it really simply does not stop at physical infrastructural development.

Senator Springer made reference for example to the sad state of the experiments which were mounted several years ago in the Scotland District and areas like that, for example, would fall under that Ministry and just to let you know, for example, some of the things that can slip up if we do not have a good focus in this area. The cherry trees that you would have seen there which hardly produce anything these days it is my understanding from the experts that a mite has emerged in the cherry trees here and in Trinidad, I understand, and it has been eating ...

Aside.

SENATOR THE HON. R. R. FARLEY: I understand it is a mite. But whatever type of scientific creature it might be, it is devouring the blossoms of the cherry plant I understand and therefore the yields have been extremely low. Now, our approach is by having a strong focus and a holistic and inter-link policy on rural development would be to throw the whole weight of our research and scientific resources to resolving that problem because it is larger than a matter of an experiment within the Ministry of Agriculture that may or may not go. There is economic potential in cherry production and so on. You can be assured that the appropriate Ministry will be, during our term in office, paying close attention to that area which is so close to your heart.

Mr. President, much reference has been made to the agricultural and manufacturing sectors as far as the efficacy of the removal of duties on inputs as a means of revitalising the sector and I can agree with the Honourable Senator Mascoll entirely when he indicates that that measure alone will not be total salvation for the sector. I share that view completely.

I also agree with him when he indicates that the changing international trade environment with the implementation, if it goes through, of the revived round of the GATT, the lowering of the CET, the emergence of NAFTA, the association of Caribbean States and so on, by virtue of requiring, mainly the GATT, being the over arching framework from which international trade is conducted that will require the reduction of import duties on products and will also require the reduction of subsidies which Governments are able to provide to their productive sectors. I can agree with him on those things.

Where we will have our point of disagreement, however, it is our view that because we are expecting

to have a blow on the side of the head from those external international changes that does not justify us in delivering the first blow on the other side of the head to the local productive sectors. So, basically we are saying two wrongs do not make a right. What we need to do, as far as possible, is by removing the pressure which our own government has placed on local production to allow, at least that little breathing space, for those producers who are able to take on the international competition to do so with as little obstruction as possible. So we are saying we should not strike the first blow. Let those negative factors which impact be at the hand of someone other than the Government of Barbados.

4.40 p.m.

Another aspect of that matter, Mr. President, is that although we recognize and all sides are agreed that our main potential in the area of earning foreign exchange and doing business internationally will be in the area of tourism and the international business sector, offshore banks, international business companies, informatics sector, we have to agree that those sectors will all depend on a stable economic and social environment. The involvement of individuals in investment in the local productive sectors, in the production of local agricultural produce, production in local manufacturing, provides not only employment for those persons but it also provides them with a feeling of having a stake in Barbados. Persons who have a stake in Barbados will not feel alienated by the presence of tourists or international investors in those other areas that I mentioned. It is our view that sectors which are mainly in the purview of local investors and so on really form that part of the stabilizing element which we need if we are to enhance our opportunity and our ability to attract investment in those sectors which we know will deliver the goods as far as our capacity to earn foreign exchange is concerned. Like I said, the important element is that our citizens feel that they have a stake in Barbados.

The Senator also made reference to the informatics sector and he was quite excellent. Senator Murray indicated that he is taking up some position on the Hill and, as he said, he was probably practising with us. But he was quite right when he indicated that value-added must not be confused with straightforward foreign exchange inflows. We have to consider the level of value added and he is quite right. What I would want him to know is that the inflows of foreign exchange which result from investment in the informatics sector are by and large inflows to cover expenses actually incurred in Barbados, wages of executives, telecommunication fees and so on. The net outflow as a result of that activity is considerably less than in manufacturing-type activities where we have to factor in the imports of the inputs and so on. But I would also want to re-assure him that over the years the trend that we have noted is that the informatics industry in Barbados is

moving further along in a positive direction on the continual of value added. When the sector came to prominence in Barbados in the early 1980's, it was through data entry operations and basic keyboarding which allowed us to give quick employment to a number of school-leavers. It also allowed us to gather some presence in the marketplace. Right now when you speak to people in the informatics business they know about Barbados. They know where we are and they know what we do. Barbados, Jamaica and Ireland are three countries that are on the top end of this business worldwide. You can enquire of that with the Canadian Tax Planners and so on. For example, when they investigate other specific details, then they decide which country they will go to. The European countries tend to use Ireland because of the proximity and so on. But the important point I want to make, Mr. President, is that today we have moved from simple keyboarding of hard copy entries into a situation where there is programming going on and where there is real line on time accounting functions which are going on.

Sir, we are seeking to ensure that this trend towards higher value added services will continue so that the net earnings will not only be higher but that the opportunities will be provided for an ever increasing higher levels. We are also optimistic, Sir, and this has happened already, that because of the higher value added levels at which we are aiming the transfer of technology and knowledge will redound to the benefit of Barbados. That is, Sir, the programmers who would have gone through the Barbados Community College or the University of the West Indies who otherwise would have gone into the typical Barbados applications of designing accounting systems, doing a few data base for tracking customers and so on. They have had a good basic formal education but they would have not been exposed to developing performance support systems, doing multi-media work and so on. By virtue of being able to stay in Barbados and write programmes and do other things for customers in other markets, they are gaining experience in projects which they would not have been able to gain if they were working strictly for the Barbados market. To that extent, Sir, we can all agree that even if the company for which they work were to depart, that knowledge will still be here for the benefit of Barbados. Sir, that is just by way of re-assurance to my honourable friend and Senator.

In terms of the specifics of some of the items of expenditure which I would want to highlight for the information of Senators, some of whom have raised queries in these areas. In the area of Professional Services in the Bill that we are discussing, questions have been raised as to the reasons for the expenditure. The two larger ones are for \$300 000 for the Industry of Trade and Industry of Commerce. Senator Goddard had indicated that is for follow-up study which should be done by Maxwell

Stamping Association of BIMAP. This is a follow-up to the 1990-91 Export Competitiveness Study and it forms part of the requirements for the investment sector loan as had been negotiated by the previous administration. That is part of the requirements which they had established and we considered that we should proceed with that.

Aside.

SENATOR THE HON. R. R. FARLEY: Perhaps the Honourable Senator should have advised accordingly at the appropriate time.

The \$200 000 Ministry of Home Affairs – Professional Fees in relation to the establishment of a Forensic Lab. That is very important as far as our ability to fight crime is concerned. You will notice, Mr. President, that our criminal activity has taken on international dimensions and we believe that no effort should be spared in ensuring that we are equipped to handle all such matters. Even our Barbadian deportees who have been trained in criminal matters overseas, that is the crooks, are sometimes more trained than our own law enforcement. We really must spare no effort and we would not want to interrupt this whole flow of developments in that area.

One of the other items that I would want to draw your attention to, Sir, is the Ministry of Education for almost \$6.5 million. The bulk of that, Sir, is for arrears to the University of the West Indies of \$5.3 million, \$400 000 Barbados Community College, and so on. An interesting item, Sir, Sherbourne, has not been left out. There is the sum of \$650 000 for various items there, utilities and various other expenses that seem to crop up from time to time and we can certainly expect more of that as we move along.
4.50 p.m.

In concluding, I think I have responded to most of the queries that were raised by most of the Honourable Senators and I will just conclude by asking them to support this Bill. It represents the continuation of the work which the Government must do. As I have said earlier, as we have sorted out the various requests that have been made in determining the suitability and the necessity of the requests, as well as our capacity to satisfy those requests, we will be approaching this Honourable Chamber with further supplementaries.

Mr. President, I do now beg to move that this Bill be read a second time.

SENATOR THE HON. G. S. H. MURRAY: I beg to second that, Sir.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Bill be now read a third time and I also want to certify that this is a money Bill and should be treated as such.

SENATOR THE HON. G. S. H. MURRAY: I beg to second that, Sir.

The question was put to the Senate and agreed to.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Bill be now passed and be cited as the Supplementary Appropriation (No. 5) Act, 1994.

SENATOR THE HON. G. S. H. MURRAY: I beg to second that, Sir.

REPORTS FROM SELECT COMMITTEES (recommitted)

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to lay the Report of the Committee of Selection before this Honourable Chamber. I also beg to move that it be taken as read and that it be referred for adoption at our next Sitting.

Mr. PRESIDENT: The Report of the Committee of Selection has been duly received and laid and will be referred to the next meeting.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Senate be adjourned *sine die*.

The question was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the Senate accordingly.
5.00 p.m.

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Mr. President informed the Senate that he had received from Her Excellency the Governor-General Message No. 2/1994 informing the Senate that Her Excellency the Governor-General, Dame Nita Barrow, GCMG, DA, would be absent from the country during the period October 13 to November 12, 1994 and that the Hon. Sir Denys Williams, KCMG, GCM would perform the functions of the office during that period.

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