
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

THE SENATE

Monday, March 23, 1998

The Senate met in the Senate Chamber, Parliament Buildings, on Monday, March 23, 1998, at 11.09 a.m.

PRESENT

His Honour Senator Sir Fred GOLLOP (President)

His Honour Senator C. L. BOLDEN (Deputy 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 Foreign Trade and International Business)

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

Senator Miss C. Y. FORDE (Parliamentary Secretary, Ministry of Education, Youth Affairs and Culture)

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

Senator the Hon. Miss O. P. SYMMONDS, G.C.M.

Senator D. T. GILL

Senator Miss J. C. ODLE

Senator N. A. LYNCH

Senator N. P. WELCH

Senator J. A. WORKMAN

Senator Mrs. P. E. RICKINSON

Senator S. P. BERNSTEIN

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

Senator C. K. LAURIE

Senator Dr. V. J. DAVIS

Senator Mrs. A. P. THOMPSON

Senator J. D. E. BOYCE

Prayers were led by Fr. Errington Massiah.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR-GENERAL

Mr. PRESIDENT: I have received the following communication from His Excellency the Governor-General signed and dated on March 13, 1998. It reads as follows:

“His Excellency the Governor-General to the Honourable the Senate.

His Excellency the Governor-General has the honour to inform the Honourable the Senate that on the recommendation of the Prime Minister after consultation with the Leader of the Opposition, under Section 3(1) of the Ombudsman Act, Cap 8(a), he proposes to appoint Carl Leon Ince, Esq. to the office of the Ombudsman, established by Section 2 of the said Act.

His Excellency further has the honour to seek the approval of the Honourable the Senate for the proposed appointment pursuant to Section 3(2) of the said Act.”

PRESENTATION OF PAPERS

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

1. Insurance (CGI Consumers Guarantee Insurance Co. Ltd. Extension) Order, 1998.

2. Annual Report of the Technical & Vocational Education and Training Council for the period April 1, 1996 to March 31, 1997.
3. Annual Report & Financial Statements of the Barbados Tourism Authority for the years 1994-1995 and 1995-1996.

STANDING ORDERS

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that Standing Order No. 45(2) be suspended 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 rise to give notice of the following:

1. The Income Tax (Amendment) Bill, 1998.
2. Resolution that an address be presented to His Excellency the Governor-General to approve the proposed appointment of Carl Leon Ince, Esq. to the office of Ombudsman.
3. Resolution to approve the guarantee of the payment of the principal sum of \$10 million and interest thereon for the redemption of housing bonds to be issued by the Barbados National Bank.

FIRST READING OF BILLS

SENATOR THE HON. R. R. FARLEY: I beg to move that the following Bills be read a first time:

1. The Income Tax (Amendment) Bill, 1998.
2. The Appropriation Bill, 1998.

The question was put to the Senate and agreed to.

PUBLIC BUSINESS

Mr. PRESIDENT: Public Business is the instant Order of the day.

ORDER NO. 6 – A RESOLUTION TO APPROVE THE GUARANTEE BY THE GOVERNMENT OF THE PAYMENT OF THE PRINCIPAL SUM OF \$10.0 MILLION AND THE INTEREST THEREON FOR THE REDEMPTION OF HOUSING BONDS, TO BE ISSUED BY THE BARBADOS NATIONAL BANK

SENATOR THE HON. R. R. FARLEY: Mr. President, the approval of the Honourable Senate is sought for Government's guarantee to be given for the sum of

\$10 million which is proposed to be raised by the Barbados National Bank in support of its ability to provide financing for housing in Barbados.

The relevant legislation which mandates that this be done is the Barbados National Bank Act, Cap 322(a), and Section 19 of the Act mandates that the Ministry of Finance may with the approval of Parliament grant guarantees in such manner and terms and conditions as are fit and proper for the payment of principal and interest on authorised borrowings of the Bank.

This particular issue is proposed to be floated shortly on the market and the prospectus is expected to be issued shortly. It is proposed that the housing development bonds will be sold at par and will have a coupon rate of 7% per annum. The maturity is 10 years and the bonds will therefore be redeemed in the year 2008. The bonds will be denominated in 100 portions. The reference as indicated in the draft prospectus will be to individuals and beyond that there will also be preference to Insurance Companies, National Insurance Board and other institutional investors.

This guarantee basically will allow that money to be raised by means of public subscription to increase the availability of mortgage finance through the Barbados Mortgage Finance Co. which is a subsidiary of the Barbados National Bank.

I beg to move that this Resolution do now pass.

SENATOR Mrs. A. P. THOMPSON: Mr. President, basically what I would like to say is that I hope that the greater part of these funds will go towards lower and middle income housing in Barbados because there is a problem especially in the lower income brackets in Barbados. There is a severe problem with housing and finance.

I know that over the years the Barbados Mortgage Finance Co. has played its part in contributing to the housing stock of this country. There is a serious moral responsibility which the Barbados Mortgage Finance Company has not carried out over the years in mortgage financing. Unlike other financial institutions, the Barbados Mortgage Finance Co. has not made it a basic requirement that their mortgages be covered by life insurance. This is something which I would like to see the Barbados Mortgage Finance Co. look at again recognising that in the event that the breadwinner who has gone forward and purchased this home dies while repaying this mortgage, and there is no one in that family to continue these repayments, the family could lose the property. What that does is to

set a whole family back, and really disrupts the very plan which was made in advance for that family. I think that the Barbados Mortgage Finance Company has been around long enough to recognise the importance of this.

There is now Creditors Group Insurance which the Barbados Mortgage Finance Company could access through the Insurance Corporation of Barbados, guaranteeing that these individuals get their insurance protection at a very low unit cost. There would therefore not be a need for them to go out into the wider insurance market. Let us face it, if we are only catering to low income persons, there would hardly have that discretionary income to make a decision to purchase insurance at the regular commercial rate.

This is an appeal to the Minister responsible for the Barbados Mortgage Finance Company to make sure that that institution immediately put in place Creditors Life Insurance on the lives of these individuals who get these mortgages. I really look forward to Government's housing plan making provision for lower income houses in this country.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I rise to support this Resolution wholeheartedly because I have been talking for many months about low income housing. Like my colleague, I would like to think that the Barbados Mortgage Finance Company would be allowed to give 100% mortgages to those persons at the lowest rung of the income group.

Mr. President, we have people like nurses' aides and maids etc., who earn about \$100 per week and who do not have assets. Some of them are heads of households and they require mortgages. At present, one cannot get a mortgage easily unless one has some form of assets to show. These women do not really have assets to show. All they have are their children and themselves and willing to work very hard. I am making a plea for extra special attention to be given to 100% mortgages in the lower income group.

Nurses fall into this because they are not middle income and they do not get very much money. Also nurses aides, nursing assistants and those persons who are heads of households.
11.25 a.m.

Mr. President, I would also like to hear people saying that the persons given these mortgages have been given them not because of who they know or which party or which association they belong to but because they are Barbadians in need.

Mr. President, I would also like to see that those persons who rent land adjacent to the Cement Plant

in St. Lucy be given preference to get some of these loans or be given preference for house spots because their buildings are cracking and they are in a bad state and some of them really do not have the funds to get legal advice.

Mr. President, I have not only investigated it but I have been there and I had a look at the mole etc. being piled up on the opposite side of the road, very close to the residential area of people's homes. So as soon as there is a high wind all of that stuff blows right into the homes of the residents. We need the Cement Plant so therefore we have to make alternative provisions for people who live there. Some of the people just rent the land and they do not have money to employ a lawyer.

Mr. President, there was a policeman up the road whose house was damaged and they ran and repaired it quickly but the other poor people next door to the Cement Plant, they are taking them, and turning them around in circles about bad structures and all sorts of nonsense, when the dynamite is cracking the houses. Therefore I would like the Government to look into this and try and assign either lots where some of them can build their houses or make some of these mortgages available to those unfortunate persons in St. Lucy. I thank you.

SENATOR J. D. E. BOYCE: Mr. President, I too want to record my support for the intent of this Resolution and I want to add my urging that we address the problems of low income housing especially and the provision of homes for needy causes. Only this weekend, Sir, we have had the unfortunate occurrence of 3 house fires and up to now, according to my information, some of these people are still without a roof on their heads.

I want to join Senator Rickinson too in her call that the approach to the provision of these houses and indeed the provision of temporary shelter in the event of adversity be done and done not along a party line but it should be done as needs be.

We heard this weekend too the Member of Parliament for St. Michael South East commenting on the fact that the provision of housing for fire victims is not equitably dealt with and that we are still seeing instances which can only be interpreted by the public as the Government doing political favours in an attempt to woo support either in the short term or down the road. I hope that this money will go some way towards providing the quality and the number of houses that will adequately serve the needs of Barbadians.

As I have commented before no matter how much we in here set up the instruments to make sure that certain policies are in place, if the people for whom the policies are designed, Sir, are clearly not benefitting and there is no evidence of a decrease in respect to the housing needs

of the Barbadian people, well then we have failed and we need to re-examine the policy, Sir.

This Barbados Labour Party Government does not have a good record in respect of provision of housing. They came and they found already on course places like Lower Burney and we have seen little or no progress in terms of the real erection of housing or a real growth of the housing stock and the record of the National Housing Corporation shows that there is no decrease and that the waiting list is still very long. I am afraid, Sir, as is usual, the waiting list is made up of poor, black Barbadians, the ones whom we say we are working for. We are setting up these policies for their benefit. Obviously, Sir, we are not doing a good enough job or if we are doing a good job in respect of setting up the policy at the implementation end there are a lot of stumbling blocks which we have to overcome, Sir.

So, Sir, with that urging I certainly have no difficulty in supporting the intent of the Resolution, Sir, by way of guaranteeing the \$10 million in serial bonds for low income housing in Barbados. I thank you, Sir.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, Sir, specifically in reference to Senator Boyce, all I can say is that I am glad that I heard that speech because I do not expect to hear it again before we get to the Appropriation Bill. At least it was a shorter version of what we have been hearing *ad nauseam, ad infinitum*, for very many months.

Be that as it may, Sir, we on this side, much as we appreciate Senator Boyce's presence, we do not need to have him preach to us because he is preaching to the already converted. We inherited, Sir, a situation where admittedly the list of people who needed houses or house spots was exceedingly long, but as I have to say time and time again, it was exceedingly long, precisely because they did nothing. For example, there is a scheme known as the General Workers' Loan Scheme. We came into Government and found it with some \$10 million untouched for many, many years. This money, Sir, is allocated specifically to the poor, black man, the poor humble people that the Honourable Member is now seeking to profess that we are neglecting. You had a scheme which was rich, which was overflowing with \$10 million. Your party, the last Government, not you, Mr. President, you would never indulge in such activities, but the Democratic Labour Party had a scheme which was well endowed with the necessary funds to cater to the very segment of the society which Senator Boyce is seeking now to represent. But they did nothing for the sum total of their record, especially the last 8 years.

I would not bother to talk about the Pondsides and the 8 houses they built in 9 years. I would leave that for another time during the substantive debate to come later. Specifically

where housing fire victims is concerned, Senator Boyce's party is only sulking because they were beaten to the draw. If we happen to have a known representative who is seeking to represent the people better than they are being represented and not by any 'highfalutin' plans that have never seen the light of day, but in actual representation on the ground, if it happened to be that our man was on the ground and got there first and he was able to give the person tangible relief, too bad. That is the luck of the draw and we do not apologise for having a rapid response team to deal with such matters.

11.35 a.m.

In addition, Sir, some mention has been made particularly in the Other Place about the Government providing a shelter for battered women to give them protection to get them out of their traumatised state and try to put them on their feet. But in addition to that, Sir, Government has also given support to a building in St. Thomas on the very same road, Highway 2A, the Ronald Mapp Highway, to providing in a structured form, relief for victims of fire. The building is a renovated building at Lancaster, it is painted, it is being furnished and is ready to provide that kind of service in a structured way and not in an ad hoc way. So in future rather than people having to butt about, as they will say in Barbados, when they have to run around frantically to seek to find a vacant lot somewhere, there is going to be a place already existing which will be manned by staff, which will have its own protection, where they will have their own services or will have recourse to the very same facilities that we have to call upon now in an ad hoc manner, to provide people with the relief needed in a proper situation.

More of this will be said later on in the Appropriation Bill, but I just want to set the record straight that this Government has not been waiting for Senator Boyce to tell us what to do, particularly when they have a very sad record of doing nothing, when confronted with the same situation. But we have already made provision. We have had funds, it is being staffed and money has been voted to provide a shelter for victims of fire, flood and other disasters, whether national or on an individual level in the future.

I thank you, Sir.

SENATOR J. A. WORKMAN: Mr. President, I quite naturally rise to support the Resolution for the issue of these Housing Bonds and I agree with much of the sentiments expressed by the previous speakers because the whole question of housing is of great importance to us in our community.

However, Sir, I do not have a single constituency to court, but I have a general constituency; like John Wesley who said "the world is my parish," Barbados is my parish.

While I support every move to ensure that the less fortunate of our country do have a shelter of their own above their heads, there is one aspect of the resolution which I think we are missing sight of and this has not been touched. It is the question of the bonds themselves.

Many of our small people in Barbados are not aware of the fact that these bonds are available to them. They still believe that bonds are for people who have lots of money, but it is one of the ways toward the economic empowerment of smaller people. There are those, Mr. President, who may have a little \$5 000 and surprisingly you will discover some of these "small people" who have a little \$10,000, \$15,000 and \$20,000 stashed away there under the mattress, but they do not know how to use it wisely. They may not be able in 1998 or 1999 to acquire their dream house but they can move toward this by having an investment such as these bonds where they will receive a greater rate of interest than they get if they have it buried in the yard or even if they have it in their savings account, where there is opportunity for them to pinch it away in buying those things of life which are filled with lustre but are not lasting.

I think, Sir, that we need to educate the smaller people of our community as to the value of these bonds because if there was a case of need they could easily take that bond to a commercial bank and any commercial bank would readily give them a loan based on this bond as security. We need to understand that there is diversified property. There is property other than house and land and these bonds will be one aspect of property which the smaller individuals in Barbados are able to use and capitalise on as a good investment for himself and for his family where over the period of years they are guaranteed that the money is there and that it will give them a good return.

I support the issue of these bonds, Sir.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this resolution do now pass.

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

**ORDER NO. 5 – RESOLUTION THAT AN ADDRESS
BE PRESENTED TO HIS EXCELLENCY THE
GOVERNOR-GENERAL APPROVING THE
PROPOSED APPOINTMENT OF CARL
LEON INCE, ESQUIRE, TO THE
OFFICE OF OMBUDSMAN**

SENATOR THE HON. R. R. FARLEY: Mr. President, the Senate's approval is sought in respect of communication being sent to His Excellency, the Governor-General

indicating the approval for his proposal to appoint Carl Leon Ince as Ombudsman of Barbados.

The Right Honourable Prime Minister in consultation with the Leader of the Opposition has made this recommendation to His Excellency. The requirements as per Section 3, Cap. 8A, the Act relating to the Ombudsman requires that this appointment meets with the approval not only of the Governor-General, but also of both Houses of Parliament.

Carl Ince, as I am sure you are aware, Mr. President, has given long and distinguished service to the public service of Barbados, his last position being that of Permanent Secretary in the Prime Minister's Office. He has also served with distinction in the foreign service. He served with distinction in areas such as the Government Information Service and many many other areas within the public service.

The Prime Minister has the concurrence of the Leader of the Opposition that he is a fit and proper person for elevation to this position and it is His Excellency's desire to give effect to that appointment subject to our approval.

I beg to move, Sir, that this resolution do now pass.

SENATOR Mrs. P. E. RICKINSON: Thank you, Mr. President. Mr. President, I wholeheartedly support this resolution. However, I hope that this officer does not get the criticism that has been leveled at the Office of the Ombudsman in previous years. In order to avoid such criticism I would like to recommend to this Senate that we not only need one Ombudsman, we need four Ombudsmen. One is not sufficient to deal with the concerns that are put before the Ombudsman.

Mr. President, in support of this I would like to read and quote from a document submitted to the Secretary of the Review Constitution by myself in an oral submission which I gave to the Constitution Committee and it asked for a permanent tribunal similar to the second schedule of our Constitution, the Barbados Independence Order of 1966, which should be for all issues and everyone and should be established. The staff should include 2 persons with legal training, 4 ombudsmen, investigators and other highly respected persons. The most junior person should have instant access to this Tribunal to place before them or have placed before them on their behalf what they consider to be unfair practices, sexual abuse or victimisation. This is greatly needed. The smallest person who gets the least amount of money really needs an independent tribunal and ombudsman for the problems related to public servants, where they can walk in and put their case before them. If, for example they have to give sexual favours, or if they have to give a leg of pork or money in order to keep their jobs.

11.45 a.m.

Mr. President, this is going on in Barbados and it is going on among the least paid workers in this country and there is really no place where they can go. If we increase the amount of ombudsmen appointed and have them for different issues I am sure that the masses of this country will benefit. I support this.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, in rising to support this Resolution, I do so on a number of different fronts. First of all, I commend the new holder of the post because I have had a long and personal relationship with him starting at Combermere School. He is a product of Combermere. He taught me English at Combermere and I think that the kind of English that I use in this Chamber is partly responsible to him, and I only regret that he has not taught Senator Boyce.

Mr. PRESIDENT: Senator, I would ask you to withdraw that.

SENATOR THE HON. G. S. H. MURRAY: I will withdraw that, Sir.

I am very proud to offer my commendations to the holder of the post and I give my wholehearted support because apart from those personal reasons, the mere fact that the holder, Mr. Ince, could attain such a position in Barbados is a testimony to the openness of the Barbadian society, where a person of very humble origins could rise to such a lofty position. I think it is a tribute to the whole Barbadian character and personality and the whole Barbadian society, that a person who makes no bones or is never ashamed to let it be known that he came from the Bay Land now known as Bayville, could rise to such heights entirely due, to my mind, to his personal efforts of self-improvement.

He was not only a teacher in Barbados and elsewhere in the region, he has also been a diplomat. He is an attorney-at-law. He is a playwright, a poet, a very well rounded person. He has drawn himself up by his own efforts, by his bootstraps, to rise to such a lofty position. I think he is to be commended all along.

He is also an avid church-goer and I think he can be described as one of the cornerstones of Christ the King Church at Rock Dundo Park in St. Michael. He is also a member and a patron of the Eden Lodge Committee Development Council. He is involved with society at different levels and I think he brings, therefore, a wealth of experience that will bring an entirely different approach to the role of Ombudsman as has been treated in the past. In very many instances, a job is how a person carries out a function, how a job or post turns out to be, is very often more dependent on the personality and the style and the thrust of the individual, rather than the job description, the rules and regulations. You put two persons in the same job

and one, because of different style, personality, intent, thrust and enthusiasm, is able to do much more for that position than the person who might be even more highly qualified academically.

Therefore, I think this is an excellent appointment and I look forward to the incumbent being able to give the kind of status and the public respect and acceptance to the post of Ombudsman, that has not always been forthcoming in the past. I think that because of his experience and personality he will be able to empathise with persons who will seek redress for various issues and I suspect that this is going to be an appointment of which Barbados will turn out to be very proud.

I look forward in the future as we receive our Annual Reports from the Office of the Ombudsman to seeing recorded in the pages of that report that the office has become a success, particularly where it is looking after the interests of persons who are not always fully acquainted or have the money to have attorneys speak on their behalf, in dealing with various institutions, in dealing with the bureaucracy, in dealing with certain issues, that he would be able to give them the kind of relief and satisfaction that is their lot.

SENATOR J. D. E. BOYCE: Mr. President, I want to join in congratulating Mr. Ince and supporting the Resolution and wishing him a good tenure in a very trying office which sometimes does not get the support and I mean support by way of resources to carry out the function even more effectively.

I know Mr. Ince well. He did not teach me. I hope Senator Murray gets the opportunity to renew his teacher/pupil relationship with Mr. Ince at some stage in the future. I know him to be a hard-working civil servant and now probably in his later years of service to this country he has been given the honour of serving in the position of Ombudsman.

I wish Mr. Carl Ince all the very best in his appointment, Sir, and we do support the Resolution as it stands.

SENATOR THE VENERABLE ARCHDEACON J. L. SPRINGER: Mr. President, I simply wish to support the sentiments that have been expressed thus far and I do not think that there is anyone who knows Mr. Carl Ince who would dare not support this Resolution. I, for reasons mentioned, and more especially because I have known him as one of the most gentlemanly persons I have ever met. He was the type who would open doors for the ladies and hold chairs. This is very much in his favour as a person who knows how to deal with people and I have every confidence in his fairmindedness.

Sir, as has been said, he is a person who is very well qualified. He is ably qualified in some aspects of the law and I think he has a master's degree in law, a fair-minded person and perhaps above all a good practising Christian person.

I have no doubt that he will make a success of the position to which he has just been appointed. I support the Resolution.

SENATOR THE HON. Miss O. P. SYMMONDS: Mr. President, I am going to speak very briefly. I too am very pleased to support this Resolution and I agree with Senator Springer that Mr. Ince is indeed a gentleman. I know him particularly as a parent. I taught his daughter at Harrison College and I think that that is a good criterion. The sort of person that a parent is tells you something about the person. 11.55 a.m.

It tells you something about the person. He is a people's person, a charming person, approachable, and for all his accomplishments, a very modest person. And for a job like this we do need someone with those characteristics, approachable and again I say that I wholeheartedly support this Resolution, congratulate Mr. Ince and wish him well. Thank you very much.

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Resolution do now pass.

The question was put to the Senate and agreed to.

ORDER NO. 1 – THE APPROPRIATION BILL, 1998

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of the Appropriation Bill, 1998. This is one of the most important debates in this Honourable Chamber on an annual basis, the importance of this being founded in the constitutional requirements as testified in Sections 108 and 109 of the Constitution.

The Honourable Senate is being asked today to move the passing of this Appropriation Bill 1998 appropriating sums to be used in the service of our good, great, fair land Barbados for the financial year starting April 1, 1998 and going through to March 1999. Appended to the Appropriation Bill are the Estimates of Revenue and Expenditure and the Schedule of Personal Emoluments of 1998–1999.

It is important that we commence to debate this matter, Sir, by grounding it within the proper context of this. This debate cannot be separated from the performance of the

economy, neither can it be separated from the Government's fiscal performance in the previous year because it is on those two bases that we function on which the projections for the new fiscal year are based. I will therefore in my presentation today want to spend some time reviewing the economy. I want to spend some time reviewing last year's Estimates with the current year's Estimates so that I can establish quite firmly the bases of the figures for 1998–1999.

I wish therefore to spend some time in examining some of the details of the programmes which are captured within this programme as outlined in these documents before us. Mr. President, I think I would want to first capture the basic features of this Appropriation Bill before us, which, Sir, is seeking our approval for the grant of the sum of some \$1.07 billion out of the Consolidated Funds to use in the service of Barbados. You would appreciate, Sir, that figure which I outlined is net of statutory expenditure and that is a point which I will raise again in discussion in the economic context and the economic performance and making some comments on the Auditor General's Report 1997. I am sure this matter will feature somewhere in the debate and I want to set a few things straight for the record in relation to that and several other matters.

Sir, the economy – how did we do during the previous year and what is the basis on which we can reasonably proceed in making predications concerning our performance during the coming year? The context in which these Estimates are set really is an economy which is going to grow fast. It has experienced good growth for the last three years. It had good growth for the last seven years, Sir. We have been able to so manage our affairs as to maintain a deficit which is very modest and of manageable proportions. We have had a high level of foreign reserves and generally speaking, one of the most critical aspects of our performance in the last seven years is that in each of the years of the administration of this Barbados Labour Party Government the growth in the economy has been led, not only by the private sector, but by the foreign exchange earning sector in the economy. That is always a very important barometer in terms of stability of the development.

For example, in 1997 foreign exchange earning sectors grew by some 6.4% in 1997 compared to the foreign exchange usual sectors which grew by some 3.4%. That is an important indicator of the stability, but overall for 1997 real GDP growth is estimated at some 4.3% and this compares favourably to the average growth over the previous year of some 3.2%. As I indicated, Sir, that was fuelled by the foreign exchange earning sectors.

For example, in tourism in 1997 there was growth of some 10.3% and this was driven primarily by an increase in long stay visitors for 1997. In fact, 1997 is very much a record year in terms of tourism performance. The

arrivals in 1997 being some 472 290 tourists. That is the highest number of visitors for many, many, a year, Sir. In fact, the closest figure to that was some 461 259 in 1989.

In addition, Sir, I will, speak more of tourism as we go into the details of the Government's programme as captured in the Estimates. In addition as far as the economy is concerned, wholesale and retail activity expanded by some 5%. Increases were also noted in transportation, storage, communication and other general business services. Inflation was 7.5% in 1997 which is out of the norm in terms of the inflation trend over the years. In the 1996 period inflation was 2.5%. This temporary glitch in the trendline with respect to inflation was very much expected and that was due in part to a number of circumstances, one being the introduction of the Value Added Tax and the transition arrangements where there was a temporary increase in the cost of goods because of the fact that a decision was taken not to attempt, because of the problems involved there, to give credits for goods which were already in stock and which had already paid the taxes which were being replaced, consumption tax and stamp duty, primarily. So, because of the increase in general economic activity one begins to see a creep in inflation, but the major cause, however, was that temporary arrangement.

The full impact of the value added tax, and indeed, the subsequent amendments that were made, have already worked itself through the economy and therefore in 1998 one will expect to see inflation return to its normal average, in the context of Barbados, of around 2%. So that 7.5% is nothing more than an aberration or a glitch in terms of the trend line for inflation for 1998 that will return to where it was.

12.05 p.m.

That was a discussion of the real sector. In terms of the monetary sector for 1997, the phenomenon of excess liquidity in the financial system had moderated as we very much expected. Remember that there were a number of persons who were suggesting that a number of instruments, for example, the adjustment of the interest rate and so on should be used to address this matter of liquidity. However, the Government knew full well that with the increase in business activity, particularly the number of projects planned arising, of course, out of the supreme confidence which the people of Barbados in general and the private sector in particular have in the administration of this country's affairs, we expected that a number of projects would come on stream to mop up this liquidity and so said, so done.

The interest rates have been declining based on supply and demand. As you know, most of the interest rates are liberalised. The one rate which remains regulated is the minimum savings rate. Reflection on the level of liquidity that was in the system was the fact that at one point in 1997

the Treasury Bill rate fell to as low as 1.53% and that was an indication really of the fact that the overall level of liquidity was quite high. However, we have noticed that the rates have now started to climb and return to some level of normalcy and are somewhere in the region of 5% which is quite reasonable in respect of Treasury rates and so on. Basically, we anticipate that an increase in consumer credit and an increase in project loan financing both from the commercial side as well as the private householders' side will reduce that liquidity.

In terms of balance of payments, the performance was again quite strong in 1997. In 1996 there was a strong growth in domestic exports. There was also some growth in 1997. The strong growth in the economy, of course, would have resulted in an upsurge in retained imports. In fact, when I go into discussing Government's revenue performance I will return to this matter of the performance of retained imports but I will discuss it now within the context of the balance of payments.

Increased economic activity in Barbados always results in a growth of retained imports because of the relatively high import mix of our production as well as our consumption patterns, but the increase in the level of retained imports which we had projected at some 7.3% for 1997 actually turned out to be some 14.4% and that is one of the factors which would have impacted quite positively on the performance of the Value Added Tax as well as taxes on international trade generally so that in the case of the positive performance or some would say the over performance, it is not necessarily a reflection on the rate of the tax but the fact that the base on which the tax was levied performed quite well and therefore the yield would have been quite high.

Another positive feature of 1997 was the performance of the economy in terms of its capacity to generate employment. The number of persons who were employed rose and the number of persons who were unemployed declined to the level where for the fourth quarter of 1997 the unemployment rate fell to as low as 12.2%, and that is the lowest for any quarter performance for about 20 years.

Mr. President, the average figure for 1997 levelled off at around 14.5% and, like I said, that has only been achieved some 20 years ago. But less we get confused by statistics and think that this is some statistic pulled out of the sky some place, this fact of a 12.2% unemployment figure is all about the numbers of people who are going to work, the increased number of persons leaving home on mornings to go out there to work. In fact, one of the interesting observations that I did not even think of but which was drawn to my attention by a wise old lady from Parish Land over the weekend...

Aside.

SENATOR THE HON. R. R. FARLEY: That is Parish Land in Christ Church. I was speaking to an old lady on Saturday morning and she was reflecting on matters. She said: "Be careful when people try to put you off track." We had a few problems with transportation, needing some buses and so on because she was admiring the new buses, but she was making the point that one of the reasons why the transport problem seemed to have been more severe than ever, was because of the increased number of persons going to work. She indicated that at the height of the recession when 4 000 persons were sent home from the public service alone, thousands more on short time and on no time in the private sector, that nobody was catching the bus. So it seemed like if you had so many buses and you were able to travel however you liked. But with more persons leaving home every morning and wanting to get to work on time, obviously the matter of transportation became an issue and that is what these statistics are all about. But until that wise old lady counselled me on Saturday morning, I did not think of it from that perspective to link transportation with an indication of the level of employment.

Mr. President, to put it beyond doubt, let me give you some figures. For 1997, according to the statistics, there were some 116 100 persons gainfully employed, the highest figure. That figure is some 20 700 higher than in 1993 when only 95 400 people were catching those buses on mornings to go to work. In 1993 the unemployment rate was some 24.3%. So, Mr. President, you can see how well the economy performed in 1997. Somehow, that 20 700 figure seems to be getting curiously close to some number that other persons like to talk about, but it is a very good number. Mr. President, those persons found employment in construction, manufacturing and distribution as well as in the Government sector.

What about the outlook for 1998 because again this is important to set the context within which Government is able to decide on an allocation of resources for the many programmes to be undertaken during 1998. We are anticipating a real GDP growth in the region of some 3.5% for 1998. We are expecting the foreign exchange sectors to lead that expansion. We are also expecting that the current high level of activity, capital works in particular, and construction for hotel purposes and other productive purposes will also continue and that activity in that sector is also spurred by the demand for office space because of a continued growth in the international business and financial services sector which my colleague, Senator Goddard, will expand on fully and at length when he gets his opportunity to speak during this debate.

12.15 p.m.

We are anticipating that inflation will be somewhere in the region of 2% to 3%. We are also anticipating that the collections from the different taxes would have balanced

themselves out. For example, one must not expect that there will be any substantial over-collection in terms of the Value Added Tax in 1998 compared to 1997. Again, the impact has been felt through the community and it has balanced itself out and the borrowing and unexpected growth in the level of retained imports and so one can expect that the projections will be very much on target.

Liquidity will certainly continue to be adequate to service the projects which are very much on hand. Certainly the Government in terms of its own capital activity and the means by which it is financed will continue to monitor and to adjust its programme to ensure that it does not crowd out private sector investment or create any problems with respect to liquidity.

Sir, that is the economic context in which these Estimates are based. I want to deal with a quick review of the fiscal performance for 1997/1998 and again, use that as the background on which the 1998/1999 Estimates are cast.

Back in March the previous year, Mr. President, we would have approved the Estimates of Expenditure for the fiscal year 1997/1998. The main feature of that programme as presented then, was a projected deficit of some 1.5% of GDP. That is, of course, as measured by the standard measure known as the international financial institution basis. The basic details of the programme were projections of current revenue of some \$1.297 billion and a current expenditure, including amortization of some \$1.379 billion. Of course, capital expenditure we have projected to be \$267.2 million. The deficit would have been, on that basis, \$348.8 million.

I should speak and make sure that for clarity I indicate that when I speak of the deficit in presenting some of these figures that from time to time we will be speaking on the basis of the Accounting General's basis as well as the international financial institutions' basis. Just to clarify that matter to leave it beyond any shadow of a doubt. Perhaps the clarification is also needed because of the misleading suggestions which come from some quarters sometimes that because in a debate on the Estimates or in discussing Government's financial projections, we speak of the deficit according to the international financial institutions basis, that we are somehow under the dictates of any or all the international financial institutions.

Just to say that as members of, for example, the International Monetary Fund, Barbados, like several other countries, share information on its fiscal performance during the previous years and in order to facilitate comparison, there obviously has to be a standardised approach to the measurement and presentation of information.

The methodology which is used by the international financial institutions with respect to the treatment of commercial enterprises of Government differs from the methodology which we use in terms of how we treat things like the commercial expenditure in relation to the Post Office, the commercial activities in relation to the airport and the like. Therefore, whereas for example in the Accountant General's figures he would include the expenditure on the one side and the revenue on the other side and allow the netting out to be done in total, the international financial institutions would net out the commercial activities like the airport and the Post Office and the like and enter a net figure only, either for revenue or expenditure. There are other variations but just to make it quite clear that to speak of measuring the deficit on the basis of the international financial institutions does not mean that they are under the dictates of any institution, it is just a matter of a standard indicator.

In terms of projected out-turns, Mr. President, for the financial year which is ending next week, the projection as I have indicated previously was what the real GDP growth would be, 4.3%, we are also a GDP inflator of some 3.6%, growth in retail exports as indicated earlier some 14.3%. On the basis of the performance of the economy and based on those indicators during the year, we are expecting that at the close out of this financial year, current revenue would be in the region of some \$1.493 billion. We are also projecting that current expenditure will be some \$1.5 billion and capital expenditure some \$258.3 million. That would produce a deficit in the order of some \$273.7 million or a deficit of 1.7% of nominal GDP, according to the basis used by the international financial institutions.

I just want to spend a few minutes quickly on the matter of the revenue performance for 1997/98 as this is one area that has excited much interest and in many instances much uninformed and ill-informed comments. I want to set this matter beyond a shadow of a doubt.

In comparison to the fiscal year 1996/97, we expect at the close of the year that Government's revenue would have performed very robustly and much better than it did in 1996. We expect that revenue will be some \$206.9 million than it was in the previous financial year. Of that amount, the majority will be tax revenue. The tax revenue component will be some \$225 million and the non-tax revenue will be some \$77 million. The non-tax revenue being partly from some adjustments in the valuation of special drawing rights from the IMF and so on. Tax revenue, it is important to note the basis on which this performance has been obtained. A major component of that of course is the introduction of the VAT. The very strong performance of that tax has been able to fuel much of that expansion. Also it must be remembered as well, Sir, that there was very strong performance in the area of taxes on incomes and profits. There was an increased

yield on taxes on incomes and profits by some \$55.5 million and that has been as a result, Sir, of increased employment. It has also been the result of increases in wages which obviously would be because of the larger numbers of persons employed and the larger wage packet, at a fixed percentage tax rate, then the yield would be greater and in some cases when persons obtain more money they fall into a higher tax bracket and therefore are subject to increased tax.
12.25 p.m.

Also a number of companies performed better in 1997 and 1998. There were one or two, particularly those who might have been involved in periods where, because of heavy inventories in hand, they would have had a bad year for 1997 but expect to have a good year for 1998. For example, one of Barbados' leading conglomerates indicated a less than anticipated earnings for 1997 compared with their projections. They did not make a loss. They did not make as much money as they had planned, principally because they had to absorb some of the taxes which they had already on inventory with the introduction of the Value Added Tax. It is interesting to note that they also indicated that their projections for the first quarter of 1998 indicate that their profit performance is way ahead of their own projections.

There was also an increase in the yield of taxes on international trade where there was a growth, Sir, of some \$36 million and you would recall that in 1996, leading up to the introduction of the Value Added Tax, a number of persons took the quite proper and correct step of running down their inventories to reduce their tax liability at the change over date and therefore there was a restocking exercise going on in 1997 which would have resulted in an increase in the figures there. On the remaining amount, Sir, taxes on goods and services of which the Value Added Tax is a major part would have yielded the other increased amount.

In terms of revenue, Sir, and in terms of expenditure, Sir, for 1997/98, expenditure is expected to increase by some \$200.3 million over what had been projected and that basically has been led by an increase in virtually all categories of Government expenditure. What we were able to do during the course of the year, Mr. President, is that on the basis of the strong revenue performance we were able to accommodate a number of additional expenses which we would not otherwise have been able to accommodate.

On that score, Sir, I would also want to indicate to you that much ado has been made about this matter of supplementaries, but as you are very much aware, Sir, when we approve expenditure under the various heads in the Estimates the only way of changing expenditure in those categories is to return to the House to have

changes made. In fact, one of the first acts that we have to do as a Cabinet, Sir, is to approve for introduction into Parliament, a Resolution for a change in the Explanatory Note under the Head of the Prime Minister's Office because at Ilaro Court where the Explanatory Note indicated under the 625 Heading, Plant, Equipment, Furniture and so on, that there were plans to buy an electric kettle, \$119.00, and it was discovered, well look, there was no need for a kettle but there was a need for a toaster for \$110.00, in order to be able to buy a toaster for \$110.00 when you had \$119.00 approved for an electric kettle one would have had to engage 28 members in the House of Assembly, 21 members in the Senate, 3 Clerks at the Table, Reporters and so on in order to amend the Explanatory Note.

In fact the Auditor General, in his report, has strongly made the case for virement to be allowed in those cases where within that same categorisation, plant, equipment and furniture, one is able, quite properly to substitute expenditure. What we have done basically is that in monitoring the expenditure performance of the Ministries through the years, we have been able to identify where there are savings and where there have been savings we have been able to approve additional expenditure and the only way additional expenditure could properly be done is through Parliament and the mechanism for doing that is through introducing supplementary Resolutions.

At the end of the day you will notice that in each of the years of this Administration, Mr. President, that the deficit has not exceeded the projections of the Government. In fact, in many instances the deficit has come in under the projections of the Government which means that at the end of the day, in spite of being able to be flexible enough to respond to changing conditions, to respond to changing expenditure demands, we have still been able to exercise prudence. We have been strict guardians of the finances of this country. We have executed the mandate given to us by the taxpayers to properly manage their funds as is reflected in the size of the overall spending package. However, like I said, the only means of effecting that is by means of the deficit.

For example, Sir, there are a number of technical issues here. The Auditor General's report, for example talks about \$71 million being spent without authorisation. On the face of it, as is reported when one summarises these matters, it would seem as if a group of lawless persons ran out and spent money just like that. The Auditor General also notes in his report that \$69 million of that was statutory expenditure. I would explain that, Mr. President. The Auditor General in his report as well, and all of this is coming from within different parts of the report, appears to say different things if you do not understand the totality.

The Auditor General notes in his Report the fact of his constitutional authority and the framework within which he

operates, the main piece being the Financial Administration and Audit Act, Cap. 5 and he notes for example, quite properly so on page 5, and I will summarise it, where he sets out the breaches of statutory requirements and so on. There is a money need to return to the House of Assembly to approve changes in statutory expenditure, because statutory expenditure is what it is, expenditure approved by statute. What the Auditor General is saying is that if in the Estimates, because the Estimates would give you in the summary figures both the statutory expenditure and the non-statutory expenditure and give an overall figure that you are proposing to spend. What he is saying is that if this is your overall figure and that you said you are going to spend this amount in statutory, then how come, you have spent more than you said you will spend. But then he is also saying quite rightly, that you did not have to come back to Parliament to get permission to spend what has already been approved to spend. So it is really a matter or simply noting for the record, rather than indicating that there was some skulduggery that there was mismanagement or any other matters.

12.35 p.m.

Page 4 section 109(7) (b) of the Constitution reads,

"Statutory Expenditure means expenditure charged on the Consolidated Fund or on the general revenues and assets of Barbados by any provision of this Constitution by any provision of this Constitution or of any other law for the time being in force in Barbados."

The Auditor General properly draws attention to section 6 (6) of Financial Administration and Audit Act, Cap. 5 where he says,

"That part of any estimate of Expenditure laid before the House of Assembly which shows statutory expenditure shall not be voted on by the House of Assembly but such expenditure shall, without further notice of the House of Assembly, be paid out of the Consolidated Fund."

So whether it is in March or whether it is in September or December, statutory expenditure just comes out, so that to give a comment really on a figure that says, this \$69 million was statutory expenditure is really an indication that there is no need for additional time of Parliament to be made, but I would get back to some other stuff of the Auditor General's Report in good time. But I just wanted to make the point that as far as expenditure goes, we were able to accommodate additional expenditure by way of identifying savings which have been made and also that adjustments in expenditure including some of that \$69 million in statutory expenditure would have been for things such as, where there were increases in the

number of persons who were appointed and therefore their salaries become statutory expenditure, where they were statutory expenditures incurred by way of the Crown Proceedings Act which now allows certain law suits and so on to be settled by way of a charge in the Consolidated Fund, that those would have been part of that money which was properly derived from those sources.

Mr. President, I also want to draw attention to the fact that in terms of expenditure for the current financial year, there were one or two unusual activities, but one or two special points that I want to emphasize. There was a \$20 million transfer to the Transport Board which will not be reflected in the coming Estimates. There is also, Sir, generally speaking, current transfers which were increased by some 25.7 percent including, Sir, an increase of an additional \$4 million that was granted to the Welfare Department on top of what it had before to deal with the additional support to Welfare recipients. There was also, Sir, a \$9 million transfer to the Statutory Corporations to pay for the 6.25 percent in the first year of the increase. There was also a \$4 million Poverty Alleviation Fund transfer. There was also, Sir, financing for educational support, scholarships and other education support of some \$16 million and an additional \$6 million was transferred to schools, colleges and other institutions.

We expect, Sir, that in terms of the turn out that expenditure will rise by some 14.6 percent. That the major part of the increase, Sir, will be an increase in capital expenditure and that in terms of the balance which will result at the end of the year, Sir, that we will have, as indicated earlier, a deficit of some 1.7 percent. We are proposing to finance that deficit, some 88 percent of it, Sir, locally and the smaller percentage, some \$32 million which is direct project financing would be financed on the foreign markets. It should be interesting to note that Barbados has not gone on the international capital market for financing for the past two years. This is in spite of the fact that because of the quality of our economic management that our international credit rating has increased steadily over the past several years. We have right now an A-1 rating which is extremely good and far better than many other countries around the world. But because we have a good credit rating, it does not mean, Sir, that we are planning to go on a merry spree to borrow and borrow and borrow.

Mr. President, I turn to the Estimates of Revenue and Expenditure for 1997/1998. These figures capture the Government's programme which we have proposed for the year. The Government's programme during the year, Sir, will see the implementation of a number of major projects, Sir. We have a listing of capital works which are to be executed during the year. We also have a number of innovative programmes which are to be implemented across the various ministries and my colleagues will speak in greater detail about the work of a number of ministries during the coming

period. But just to say that in terms of the basics of the programme we are anticipating a current revenue increase in the new fiscal year of some 6.5 percent to bring us to a revenue yield of \$1.54 billion. A key feature of that will be an expected increase yield in taxes on the international trade to bring it up to \$41.6 million and this, I should say is in spite of the further decrease which is planned on the level of customs duty. As you will know under the phase reduction in the level of the Common External Tariff, the basis top rate customs duty will be some 20 percent with special rates for agriculture and one or two other areas.

We expect taxes on incomes and profits to increase by some 2.4 percent and this would reflect increased profitability of companies and the increased number of persons employed. You will also remember there would have been an \$11 million reduction which should have been projected in income taxation as the result of the increase in the basic allowance from \$13 000 to \$15 000. So that the first \$15 000 of everyone's income is tax free and, of course, those persons who earn less than that amount paid no income taxes at all.

We are expecting the VAT and the Excise Taxes to perform well and we are expecting a VAT yield of some \$453 million. In terms of expenditure, there will be an increase in debt service payments, some \$32 million, and this is because we are planning to retire a number of loans in 1998. Also, Sir, we have increased our expenditure in the area of the social services and that will account across various ministries to a substantial increase in the level of expenditure.

You should note, Sir, that the level of expenditure in the social services has moved from a low of \$19 million in 1992/1993 to some \$62 million for the 1997/1998 year.

We are proposing to further increase that as we further implement and improve our programmes of poverty alleviation, our programmes of community based development, under the Urban and Rural Development Commissions, under our programmes for national training and skills mobilisation efforts, particularly to meet the increased demand for skilled persons in the face of the boom in the economy. I will speak more on those later on in my presentation.

Sir, the expenditure of the Government will definitely be increasing in terms of the programme which we have which includes substantial capital works programmes, both in terms of the changes which will improve Government's administration as well as physical structures so that, for example, in terms of the activities to be undertaken under the capital expenditure portfolio we are expecting

that under the Ministry of Finance and Economic Affairs a major component there will be their task of expenditure management programmes.

We are expecting that in the Ministry of Agriculture and Rural Development that the Rural Development Commission would be spending some \$6.1 million in the provision of a number of facilities and amenities in rural communities. These will include additional tenantry roads. These will include bathroom facilities for a number of deserving elderly persons within the rural communities and in fact we have been full speed ahead on a number of projects in that area.

For example, during the current financial year there have already been some 17 tenantry roads in rural Barbados that have been started by the Rural Development Commission. There have also been some 13 bathroom facilities, indoor plumbing facilities, which have been created for those persons who were without these facilities previously. Of the 1800 street lights which we have agreed for installation in the rural areas there are some 905 which have already been installed and a vigorous programme is ongoing for the installation of the further 1829 street lights which are planned to improve the quality of life in the rural areas of Barbados.

Also, Sir, there has been some \$500 000 which has been made available to small business persons in the rural areas through the Rural Development Commission in a number of areas ranging from arts and crafts and cosmetology, to fishing, to catering, to vending and the list goes on.

Work will continue as well on land worked on, stabilising land and so on in the Scotland Development District, some \$3 million there. The Consett Bay fisheries development will continue and we have allocated \$1.7 million for that in the coming financial year. The renovation of the Cheapside Market and so on.

Sir, there are also major capital works planned as well as general improvements in the conditions in the Ministry of the Attorney General and Home Affairs Ministry in relation to work on fire stations and on police stations and perhaps this would be a good time to tell you, Mr. President, about the work that is planned there.

We allocated considerable sums for the year 1998-99 to the developments in this area. We recognise that the security of this nation is very important. We recognise that in addition to having an appropriate legislative framework that we also need to provide infrastructure and the institutions by which expression can be given to the desire contained in the legislation and in the policy pronouncements.

Therefore, the work which we have already done on the renovation of a number of fire stations, police stations, courts and prisons and other facilities will not only continue but will be expanded. We inherited a position of gross neglect of this particular aspect of our nation's affairs. Any persons who have had reason to interface with the police or the fire departments, particularly the police department, would be able to testify to the utterly, totally unsatisfactory conditions under which the law enforcement officers of this country were forced to toil prior to this Administration's coming to Government.

As a matter of fact, all aspects of Government property were left almost in a state of total abandonment. We, therefore, in addition to seeking to implement new programmes such as the forensic laboratory which is to be constructed on Culloden Road just west of the National Standards Institution have also been forced to spend time on repair and refurbishment of a number of existing facilities.

So in terms of the police we are going to be building a new police post at Wildey to service the Collymore Rock, Clapham and that general area which is a busy commercial and residential area. We are also undertaking major refurbishment of District "A" police station, the police stations at Oistins, the Black Rock police station, the Belleplaine police station.

Work is continuing on District "B", District "C" and on Central. In fact, with relation to Central, for the Phase 3 of that project tenders have already been closed so work will start shortly. There is to be a new building for storage, recreation and canteen and there is also going to be a new barracks for the female officers to be built at Central. There is also going to be the refurbishment of the west wing during the coming year in addition of course to the final phase of the computerisation of the police department.

12.55 p.m.

In addition to these accommodations, Sir, a working group has been set up to prioritise the proposal for the establishment, Sir, of a Complaints Body to deal with complaints against the Police. We are also looking at the feasibility of having a system of professional prosecutors having video and audio tapes. That obviously involves some work for the working groups.

In order to be able to do the rehabilitation work which was to be done on the Registry, we had to remove the Registry temporarily to Roebuck Street in order to take care of the refurbishment there – the air-condition, the computerisation which we had to do because of the dire emergency which the situation presents, in spite of the fact that plans are on the cards, in this case not only plans, but we are pressing with the implementation of those plans

for the construction of a new Supreme Court and new housing for the Supreme Court Registry, the Land Registry and the like.

All the important features included in these Estimates with respect to the Attorney General's Head have been due to the fact that for a long time that Department, and particularly within the Police Force, has not had a full-fledged project team to deal with the many small things that escalate into larger waters. So that the door where one hinge falls off and nobody gets around to it soon becomes the door that is no longer there. The paint that needs to be done to keep the place looking well, the fixing of one leaking seam on the roof that soon translates into total destruction of a roof. So that the establishment of that kind of support mechanism will certainly be one of the aspects of the group. The major projects in Education, Youth Affairs and Culture will have the Parliamentary Secretary in Education to speak to those.

Again, in the Ministry of Foreign Affairs, Tourism and International Transport, our Tourism Development Project was \$10.3 million and the Grantley Adams International Airport expansion of \$28.6 million will be discussed later in the Estimates. I will deal with some of these in the second half of my presentation after lunch. We can go on and on through this list. There is also the South Coast Sewerage Project, the Solid Waste Management Project, the Coastal Conservation Projects, the major aspects including the proposals for Safety Officers. I will discuss that further in my presentation, Sir.

I will certainly deal with the work of my Ministry, the Ministry of Industry, Commerce and Business Development, Sir, which, as you know, Sir, is one of the Ministries which has been able to contribute significantly to the Government's strong economic performance, for example. Through our efforts at the Barbados Investment and Development Corporation we were able to create some 3 688 jobs in 1997, 3 688 jobs in 1997, Sir. We were able, Sir, I think I better deal with this one now, Sir. We were able like I said, Sir, to have 3 688 jobs created in 1997 bringing the number of persons employed in manufacturing, information services, and related productive activities to 16,563 persons in 1997. That is an increase of 8.4% over the number of persons employed in that sector in 1996.

The manufacturing sector itself, Sir, grew by 2.6% in 1997 and that growth was fuelled in the export sector where exports again, Sir, grew for its fourth successive year, four years of the Barbados Labour Party's administration. What are some of the other significant features of the performance of the Ministry of Industry, Commerce and Business Development that you would want to note? You would want to note that in total 59 new companies were established in Barbados in the areas of manufacturing and information services.

Of those 59 the majority were new Barbadian entrepreneurs. Sir, 43 of those 59 were in that category. You would want to note, Sir, that they were able to make an additional 8 companies first-time exporters. One of the features which we have that we will repair every year is a project that we will take twelve manufacturers who have not exported before; we look at the products that have potential. We give those companies, those small black Barbadians, the kind that Senator Boyce might talk about but he might not know them as well as I do, Sir, I work with them every year, Sir. They are given a full package of assistance. They are given training, management, assistance in the redesign of their products, of their packaging, Sir. They are taken on a number of trade missions overseas. They are given technical assistance to improve their production process. They are given technical assistance to improve their marketing. They are exposed to the latest state of play in their particular industry sector so that at the end of the year the typical record is that at least 8-10 out of those 12 have filled their first export order by the end of that year of intensive treatment. This is the third year that we have had that programme going, Sir.

We have also, Sir, been able to do significant work in relation to export promotion generally. We have through the Barbados Investment and Development Corporation, Sir, taken manufacturers and/or their products and services on ten export promotion missions including places like the United States, Canada, the UK. We are also concentrating on CARICOM and especially some of the new CARICOM countries such as Suriname. We went into Suriname first in 1997 and we were able to add \$7 million new export orders to our newest CARICOM member on the basis of that first trade mission. We have also gone into Haiti. We have gone into the Dominican Republic. We have gone into Martinique, Guadeloupe. We have gone into both the new CARICOM members as well as the non-Caribbean countries as well.

We have also been seeking to take advantage of the bilateral trading and investment arrangements with Latin American countries, particularly Colombia, Chile, Venezuela. In facilitating this performance we have also been able to prepare an additional 195 thousand square footage in production space for manufacturers, so that there is hardly any vacancies left in the industrial parks in Barbados. We are on an expansion of plans to share additional space.

We have been able, Sir, to bring some 13 subcontracting and joint venture opportunities from our international contacts to domestic manufacturers in Barbados. We have been able to have an active programme where we are promoting the export of services. We have a register for service providers, architects, engineers, business consultants. We have been able to direct them in

the direction of potential contracts and other projects going on, not only in the Caribbean, but in the wider world. I should also say that we have been able to provide direct financial assistance to 50 Barbadian companies but these again, Sir, small black Barbadian companies, 50 of them who require assistance in attending trade shows overseas, attending conferences and other training activities, but generally attending international events which will either boost their production, or more particularly, boost their opportunities to market their products.

1.05 p.m.

Sir our overseas offices in London, Toronto, Miami, the new one in Los Angeles and the existing one in New York have been able to generate over 80 client contacts for us. They were able to attend 34 trade shows and other industry gatherings for drumming up business, and we were able to organise some 7 specially arranged investment promotion seminars to seek to attract business into Barbados.

One of the strong areas of performance of the Ministry in terms of its assistance to the local business sector has been the work of our design centre. Our design centre established as the Barbados Investment & Development Corporation has been able to give direct assistance to some 70 companies during the year 1997 in the area of graphic design, product development, packaging and the like. In addition, they have been able to offer other forms of consultation to over 120 clients.

Our programme of training designers continues and the latest batch of designers, some two of them, who were given scholarships under the Designer Development Scholarship programme have graduated with honours from Universities in the United Kingdom and have returned to Barbados to add their knowledge here. In fact, many of you would have noticed the improvement in the quality of furniture design in Barbados and that is in large part attributable to a number of designers that we have trained over the last several years. Very young person, Mark Hill and other persons some of who work in the IDC directly, others of whom we have been able to establish in their own business to add their depth of knowledge to the work which is going on.

In terms of the capital programme of the Corporation, we will be again creating opportunities for small business persons in Barbados through the redevelopment of the Pelican Village. That contract has now been awarded and work will be in a position to start shortly. That will ensure that craft persons in Barbados will be able to benefit from the activities. It will also be interesting to note that that contract for the construction of Pelican, has also been awarded to a small black Barbadian business contractor. The Board of the IDC approved that contract and that contract,

having been rewarded, that work will be started in another few weeks.

Also, Sir, contracts have been awarded in respect to the contract of the Small Business Centre and the redevelopment of the Cluster Block at the Harbour. In terms of the information services sector, that sector continues to grow. There are some 47 companies involved in that sector of which 25 are non-Barbadians and one of two of the fastest owned firms in the information services sector are Barbadian owned and doing some very interesting and lucrative contracts for a number of international clients. The earnings in that sector are now in the order of some \$70 million and we certainly will continue to press on in that area. The opportunities, as we see them, will be in the areas of software development, call centres, data mining and all of the higher value added areas of activity.

Mr. President, of course, I could go on and on and on but I am conscious of the hour and much as it grieves my heart to break my stride, reserving my right to continue speaking on this matter, I will beg to move that this Sitting be suspended until 2.15 p.m. today.

The question was put to the Senate and agreed to.

SUSPENSION

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that this Sitting be suspended until 2.15 p.m. today.

The question was put to the SENATE and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.
1.15 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

SENATOR THE HON. R. R. FARLEY: Mr. President, when we broke for lunch I was providing some information about the programmes of the Ministry of Industry, Commerce and Business Development and I propose to continue along that vein for another few minutes.

The Ministry, Sir, in addition to its responsibilities for manufacturing, information services and other productive activities, Sir, also has responsibilities in other areas and I would want to highlight the Government's programme with respect to those activities as they are captured in this year's Estimates.

For example, Sir, in relation to the general consumer there are a range of activities some fully

implemented, others still very much in train, because we recognise that in the commercial world of 1998-99 into the year 2000, there is need to change the nature of the relationship between buyer and seller and we have set about to do that in a number of ways.

We also recognise that we need to ensure that we are able to enshrine free but fair competition as one of the fundamental pillars on which commerce in Barbados will be conducted into the year 2000 and I will speak on some of the initiatives that we are taking in moving towards that particular standard as being the framework within which all of this occurs. But basically, Sir, we have been acting on behalf of the consumer in a number of ways. For example, in terms of ensuring that products meet specified standards we have continued after last year's report and we have implemented a number of new managers' standards, and we are pleased to report that the work of those inspectors of standards which were appointed only last year continues at a very rapid pace. They conducted some 2 500 inspections during the course of the year, inspections ranging from inspections of containers and other important items. In fact with respect to imports they form part of the team along with the Customs Department and where applicable the Ministry of Health in examining goods to determine whether they should be cleared for importation into the country. So that in the case of goods for which a mandatory standard exists it may not be considered for clearance out of the Harbour unless the inspectors of standards have indeed certified that they meet the required standards. There have been cases where they have had to reject a number of products coming into the island.

Also, Sir, in terms of the work of weights and measures inspectors, I know this is one area that has been in the public domain for some time and there are a number of persons who perhaps are not aware that the activity still continues and they always speak fondly of the good old days when the police used to perform the weights and measures activities. However, it was recognised several years ago that policemen who are trained primarily for prevention and detection of criminal acts, should better spend their time pursuing those things for which they were trained, than inspecting the scales of shopkeepers and so on. Also that with the increase in sophistication of weighing instruments, that one could not assume that because someone went to the Police Training School that automatically they became qualified to examine, test and calibrate weighing and measuring instruments. Therefore the weights and measures inspectors at the Ministry of Industry and Commerce and Business Development have over the past year, and will continue to do that while we are proposing to increase the number of staff in that area. They, for example, last year would have conducted several hundred inspections and investigations checking everything from weigh bridges, platform scales, to the gas pumps to see if they are delivering a litre of gas for

a litre of money. They have checked other instruments in the rum factories and so on to ensure that the measurements and so on are correct. They have also checked as well petroleum transporting lorries. They will check a number of these pre-packaged commodities in supermarkets to ensure that the package that you pick up that says it is one kilogram is in fact indeed a kilogram and do a number of these sample tests through the year. They will also of course check the scales and other measuring devices of the supermarkets.

Indeed we are looking at having some additional training done during the course of this year to ensure that the skill base of the inspectors keeps up with the technology of today where today at supermarkets one can have the item weighed at the check-out counter, directly through the point of sale system.

We need to ensure that our weights and measures inspectors are able to test, check and calibrate those particular computer based weighing instruments. So that is one aspect of the work which has been conducted in that particular regard for consumers.

In addition there have been, particularly through the BNSI, a number of investigations carried out where they investigated 120 complaints during last year for example in areas ranging from complaints about unsafe LPG cylinders and there is in fact, a mandatory standard concerning LPG cylinders where there have been some breaches and we have sent the necessary warning letters to distributors of LPG. There is one particular case where the cylinder was totally unsafe and they sent the necessary warnings and carried out inspections. Included in the 120 complaints were complaints about cars that were not performing, substandard service of car repairs, refrigerators and stoves that malfunctioned and clothing that failed to meet up to the basic standards, zips that dropped off, shoes that became unstuck at the very sight of rain, not even whether the rain fell, on fast food commodities and solar heaters, on hair cream. I do not know exactly what happened about the hair cream but on tyres and various other commodities. We have basically been able to assist consumers in those particular regards and have been able to effect resolution in a number of those particular areas.

We have also, in terms of standards development, been pressing ahead with working with the private sector on developing ISO 9000 standard, ISO 14 000 standards and other international certification systems so as to ensure that not only the Barbadian public are able to benefit from goods of the highest possible standards but also that the export thrust of Barbados would not be jeopardised for want of quality.

Additionally, Sir, we are pressing ahead in the Ministry with some very exciting programmes in

fulfilling our mandate for the development of science and technology and in fact this week on Thursday, I will have the great pleasure of declaring open Barbados' first major National Science and Technology Exhibition. There have been other exhibitions before. We have had some at the schools, some for other areas but this one is the first one that pulls it all together and we have had this exhibition in planning for 2 years. It is meant to showcase Barbados' capability in science and technology, to provide exposure to those persons already in this area, but also to provide encouragement, particularly our youth, to show what possibilities there are to be gained from involvement in science and technology.

More fundamentally we see science and technology as being a major contributor to economic development in Barbados. We have not, as a country however, been committing the level of resources both in terms of time or financial resources to its proper development. The Government is therefore committing resources not only to funding the exhibition but also we have already developed an innovation fund and we will augment that with a research and development fund to provide financial support for creative and innovative research and development ideas which have the potential to contribute to the economic development of Barbados.

2.30 p.m.

The National Council of Science and Technology which falls under the Ministry of Industry, Commerce and Business Development, is the coordinator for that exhibition. Also in addition to that exhibition which is one of the major projects for the year, the National Council of Science and Technology has been able to reinvigorate the Barbados Association for the Advancement of Science and Technology and provide the facilities for the meeting of scientists and technologists in Barbados. They also have been able to produce as of last year, a newsletter fully funded again by the Ministry. That newsletter has been a source of inspiration and information to the scientific community. It has proven to be a useful information guide so that information that is discovered and views that are held are not limited to the holder of that information only, but rather it is more widely available, but we plan to expand our information dissemination capabilities during the coming financial year. Financial resources have been committed for the establishment of a Science and Technology Information Centre where any member of the public will be able to walk in and to gather information on science and technology projects and generally science and technology information wherever it may reside.

The Centre as you would imagine, Mr. President, would be heavily information technology driven, in order to access information via the Internet, via private data bases, and the scientific community where they might exist. I will

also on behalf of the Government become a repository for a diverse range of scientific and technology studies, reports and so on which have been produced over the many years and which for want of a proper mechanism for harnessing that information and ensuring its availability for use of later generations and for want of a proper mechanism for harnessing and proper utilisation of that information, the information has really not been made properly available.

In addition, of course there is substantial training to the scientific and technology community which is provided by the National Council of Science and Technology. That institution being one of similar institutions around the world, have been able to obtain financing from the Organisation of American States and other international institutions for sponsoring both academic training for scientists, as well as financing the attendance at international conferences, symposia and such other activities.

One of the most exciting programmes which we were able to sponsor last year was a visit by some 16 Barbadian secondary school students to the International Science Fair in London, because we have a very strong focus on the youth as far as the development of a scientific and technological culture in Barbados... we, as a matter of policy, are committed to exposing them at a very early stage in their development to all that science and technology has to offer.

We also have coming for the next year, a heavy focus on science and technology in Barbados' development for the future and particularly in the area of alternative energy. We happen to be privileged to have a Barbadian within our midst. Professor Headley is an internationally renowned scientist in the area of solar technology. He has so been, as a professor, in the science and technology of the U.W.I. He has developed a very strong programme in that regard.

We are working on a number of interesting and innovative programmes, some of which will be announced later, but the one or two that I can give you some information on, Mr. President, is the fact that we will be continuing the work we have been doing on the more extensive use of voltaic cells, those are the cells that produce electricity from sun-light and looking at their application in interesting areas like the production of ice for the fishing industry, considering the feasibility of their use in producing energy for the computer technology in the second and primary school system, so that we are able to have increased electricity utilisation in the school system without increasing cost.

We are also looking at providing increased scholarships for persons to study at the masters level and so on but particularly in the area of solar energy. We

are also looking at doing some testing on the applicability of electric vehicles as they are currently configured within the context of Barbados because we are very concerned about the emissions of carbon monoxide and so on. We will be involved as part of a study to see the extent to which the electric vehicles including those that are powered by fuel cell technology.

As you know, Mr. President, fuel cells are the wave of the future as far as energy is concerned, because the by-product of generations of electricity by fuel cells is really water. And you can drink it.

Aside.

SENATOR THE HON. R. R. FARLEY: I know that through the National Council of Science and Technology they are also working with the energy division in the Ministry of Health in looking at having a photocell in use at the hospital and we are looking at other areas in the Government in which we can test the applicability. But including the energy sector we are following a project in Canada and the United States where within some cities there are some buses which are powered by fuel cells and we will be working not only with those entities but also looking at what we can do with the Barbados Light and Power.

In addition, the National Council of Science and Technology will be experimenting with the provision of security lighting from voltaic cells. Generally, we in the Ministry of Industry, Commerce and Business Development are leading the thrust toward a new dawn in this matter of alternative energy particularly making use of that ever abundant resource for Barbados in terms of our sunshine.

Lastly in the work of the Ministry, I want to make mention of the reforms which we are currently working on in respect of utility regulation. Utility regulation....

Aside.

Mr. PRESIDENT: Please address the Chair, President.

SENATOR THE HON. R. R. FARLEY: Thank you, Mr. President, with your timely reminder, Sir. Mr. President, utility regulations, Sir, the Public Utilities Board has existed in its present form since the 1950s, the technology which formed its legal structure and its procedures have long since changed. You will notice that every year so far, we have spent increasing sums on the work of the Public Utilities Board, because we recognise that we needed to give them the necessary staff, we needed to give them the other resources and we definitely needed to make some changes. We are now in receipt of all of the preparatory work, all of the consultants' recommendations, all of the recommended changes to the Public Utilities Board and we have

recommendations concerning the procedures for rates setting which is currently a simple rate of return bases, but there are other more modern ways of rate determination. We have recommendations concerning the requests we have made for a full feasibility to be done on the feasibility of inclusion of water and natural gas amongst the list of utilities. And we also had, Sir, work going on in parallel but they all come together at the point of decision on the appropriate regulatory framework for telecommunications, in general. As you know, utility regulations in Barbados right now because of the old structure creates a difference between the treatment of local telephone calls, international telephone calls and their transfer when, in fact, the technology no longer recognises any difference between voice, video and data. In fact, some might even indicate that the technology no longer recognises much difference between broadcasts and dedicated lines, wireless and wired.

2.40 p.m.

Therefore, the regulatory framework has to change in order to ensure through inadvertence that our regulatory structure does not constrain technology and thereby constrain our national development.

Having finally those documents and other recommendations from the Public Utilities Board, we will be in a position shortly to not only announce the changes to be made but also to come to Parliament with the changes which we are proposing to the Public Utilities Board Act which was a 1994 Act.

I was reminded, Mr. President, about some matters relating to money for small business and I really forgot the best piece of the news. In dealing with small business, Sir, I spoke about the number of these small businesses that had been created through our efforts but figuring that everyone already knew about the excellent initiatives which the Government has taken to provide financing to small business, I did not think that it was necessary to delve into that today but on strong urging, I have been requested to deal with this matter.

Sir, Government's view on small business development in Barbados is that we have to provide a number of things. We have to provide an enabling framework which would ensure that there are no policy obstructions to the desire of people to get into business. We also have to engender in the attitudes of the broad masses of the population a genuine desire to get into business. Unfortunately, we are still a people who aspire to get a job, rather than to own a business. We are still a people who aspire to be employed rather than be employed. We need to change that attitude where entrepreneurship, where getting into business is seen as much as a viable career choice as to getting into the traditional professions, law

and medicine. We also need to ensure that there is adequate finance available in support of the good ideas which are developed.

We have attacked this matter of the development of the small business class in this country from all of those things. We are not into tokenism. We are not into mere talk. This is a Government of action. We have done a number of things. In terms of provision of facilities, we have done the Palmetto Street Mall to ensure that small business people are able to ply their trade with dignity rather than in the sun and rain.

The Cheapside Market. There is finance provided in 1998-99 Estimates for the renovation of that. Similarly, Fairchild Street. Oistins, of course, stands as a glowing example of what can be done with will and determination and a Government willing to commit resources to make things happen. There are several other areas like that in Barbados which we propose to create.

The Pelican Village Re-development is of course yet another one and, in fact, in the Bridgetown Re-development generally which is being sponsored by the Ministry of Tourism the small business person will figure prominently.

Finance. We have done a number of things. We have at an early stage responded to a request from the Small Business Association that had a proposal for creating a finance institution. We have earmarked the finance for them subject to certain conditions, which they are still in the process of trying to meet. The Government, however, had no intention of letting the fate of small businesses in Barbados necessarily rest on one institution or one organisation so that while the Small Business Association is still trying to get its programme together the Government on its own accord has been able to get its programme together.

You will recall that when the Barbados Development Bank was closed because it was a bankrupt institution not able to attract financing domestically, internationally or otherwise, we made a commitment. We said we would close it because you have to know when to close a chapter and open a new and proper chapter.

We examined the need of the small businesses to ensure that we were able to come up with an institution which would meet their needs. We recognised that they needed equity financing and access to small loans. We were therefore pleased on January 2, 1998 to open 2 new financial institutions, the Micro Enterprise Finance Institution which has so far dealt with over 1 000 clients and which has disbursed several loans already ranging from \$3 000 to \$24 000. These are the people who would not have been able

to obtain financing from commercial banks so that their projects would not have been able to get off the ground.

The kind of projects which have been approved are like the shop-keeper in Bay Land and the hairdresser in St. George, the fish fryer in Oistins and the barber in Providence and of course the farmer in Leadvale. The reality, though, Mr. President, is that we have been able to empower a class of persons in this community who if they had been left to the structures as they existed would not have been able to finance their business projects.

In addition, Sir, again not getting into tokenism because it gathers a lot of headlines, to deal with, the small business persons and so on, what happens when you want to take them from being small to large? There are a lot of people who love small business people because they want to keep them small and the Enterprise Growth Fund is the institution that is designed to take these small people from being small to large by providing equity financing to allow them to expand.

If, for example, someone operating a small brewery wanted to expand and to grow into a larger brewery the Enterprise Growth Fund has been created for that sort of thing because we do not want our people to remain small. We want them to grow large.

Aside.

Mr. PRESIDENT: Senator Thompson, are you on a point of order?

SENATOR THE HON. R. R. FARLEY: So, Mr. President, that is the nature of the work of the Government in this regard. The fact that we have been able in a few months to have our 2 new institutions up and running and already providing financing for small business people shows that there is no delay in Government's small business programme.
2.50 p.m.

The fact that we have been able, in a few months, to have our two new institutions up and running and already providing financing for small business people shows that there is no delay in Government's small business programme. If, unfortunately, the Small Business Association has been unable to get its programme together in spite of our help, we are sorry about that, but that is no delay in the Government's programme, in addition to which, at the community level, we have been able to provide funding through the Urban Development Commission and the Rural Development Commission where around fifty persons so far have been able to obtain financing for their small business community-based projects. Empowerment, empowerment, empowerment – that is what empowerment is all about, Mr. President. They talk and we take the action, Sir.

Mr. President, the Ministry of Industry, Commerce and Business Development is pleased to be performing its role within this Government, its role being to empower and to provide opportunities for the broad masses of Barbadians, Sir, the small business people, Sir, the youth, Sir, those persons who want to transform themselves from being employees to employers, those persons with the bright idea, but who need a little advice, who need a little finance to change that idea into profitable reality. This is the Ministry, Sir, of enfranchisement. In fact, this is the Ministry, Sir, to coin the phrase in the army, the army says "we make men of you." This Ministry makes a man of you in the Barbadian sense of the word. It allows you to stand on your own feet and to go along with the pride, Sir. But I would not want to spend all the time on my Ministry.

I want to, quickly in the time that is left to me, Sir, speak to one or two Ministries which may not be covered by my colleagues. My colleagues are here ready and waiting to cover some of the other aspects of Government's programme. This programme, Sir, for the 1998-1999 year, Sir, is going to have a heavy emphasis on the empowerment of individuals within the community. I have made mention of the work of the Ministry of Industry, Commerce and Business Development, but a very strong component of that work, Sir, that empowerment work will be done at the community level, particularly through the Rural Development Commission and the Urban Development Commission, Sir, which have been provided with the resources in the Estimates of 1998-1999 to ensure that they are able to do their work. The officers of those Commissions, since their establishment, have been becoming very familiar with the needs of the people in the community. In fact, Sir, that has been a dimension of our delivery of public services that has been missing for many years. It has been all too unfortunate in the past, that public officers with responsibilities for some aspects of community development have had to learn about the plight of some persons in the community from the *Weekend Investigator*, or from *CBC*, or some other aspect of the media - these officers whose responsibility it is to do active community work and to coordinate and mobilise the delivery of services in the community where it is needed, that should be a thing of the past.

The Commissions have recently not only been provided with resources as indicated earlier, but they also have been coordinating the work with the Welfare Department where applicable, with the National Housing Corporation where applicable, with the Ministry of Health, particularly in terms of the care of the elderly and the National Assistance Board and so on, and in fact, the reform of the social services sector which the Government is proposing will very much be on the cards during 1998/1999, again to ensure that there is a rationalisation of the delivery of services, but in the meantime they have made provision for an increase in

resources of all of the social services agencies. As I indicated earlier in my introduction, we have put our money where our mouths are.

We have increased spending in the social services from a dismal and shameful \$19 million in the financial year 1993 to \$62 million, and that says volumes about where we place our emphasis as far as our resources are concerned, Sir. You will hear from my other colleagues, Sir, during the course of this debate, and I will get back. As I wrap up, Sir, you will hear as well about our response to the need to ensure that there are adequate skills available for meeting the economic opportunities which are being presented. You will hear, Mr. President, about the work in the Ministry of Education, Youth Affairs and Culture. You will also hear, Mr. President, about the work which is being done through the Vocational Training Board. You will hear about the work being done, Sir, in the Apprenticeship Programmes. Generally, all of these are part of the Government's human resource development strategy, Sir.

You will hear, Sir, of the work that is being done in terms of the development not only of the skills in the construction trades in maintenance and in hospitality industry, but also work in development of an institute for software engineering, to ensure that the excellent opportunities which have been presenting themselves would be exploited by the public of Barbados. Generally, Sir, these Estimates are meant to build on the foundation of growth that has been laid so far by the prudent management of the economy of this country. These Estimates, Sir, use resources which are provided by that prudent management for the development and the empowerment of the people, Sir. The increased allocation, Sir, in the areas where they matter most and where they impact on people, Sir, education, health, labour and so on are clear for all to see. The details of the programme, Sir, will also make it quite clear what our emphasis happens to be.

I am very pleased to commend this Appropriation Bill and the attached Estimates to the Honourable the Senate, Sir. I would trust that Senators in making their contribution, Sir, would be guided by the facts as presented in these documents and that every effort, Sir, would be made to take the opportunity to fully explore the work which is being carried out by the Government, and in particular the various Ministries in the furtherance in the development of Barbados. I will say no more at this point in time, Mr. President, by way of my first speech in this second reading, Sir.

My colleagues are ready, anxious and waiting, Sir, to expand on the details of the Government's programme and I am also waiting, Sir, to provide further details of the Government's excellent programme - a programme

of which we are justly proud, Sir, and a programme which will see Barbados grow and expand at an even more rapid rate than it has done under the past four years of Barbados Labour Party Administration and stewardship, Sir, and with this, I am pleased to commend this Appropriation Bill to the Honourable the Senate and the attached Estimates and schedule of Personal Emoluments, Sir, and beg to move that this Bill be now read a second time.

3.00 p.m.

Mr. PRESIDENT: The Deputy President will assume the Chair at this time.

Mr. PRESIDENT left the Chair and Mr. DEPUTY PRESIDENT assumed the Chair.

Mr. DEPUTY PRESIDENT: Senator Thompson.

SENATOR Mrs. A. P. THOMPSON: Mr. Deputy President, I am indeed pleased on behalf of the people of Barbados, especially that special group for whom I am proud to be their representative, the working-class and deprived of this society, to stand and speak on their behalf.

I sat, Sir, and listened to the Leader of Government Business as he presented his case and that of his Government, and I was particularly keen on hearing the background on the performance of the Barbados economy for 1997. I was keen because I wanted to find out for some time what was the accurate amount by which Barbadians were overtaxed in the year 1997. I believe coming out of the presentation of the Leader of Government Business, we are talking of some figure around \$260 million. In a small economy such as ours and with such a large number of our people barely eking out a living, one wonders how any Government can feel proud about the fact that it has overtaxed its citizens by a figure of \$260.9 million.

What is even more painful, Sir, is the Leader of Government Business admitted that a significant percentage of that sum was realised by way of the Value Added Tax. The reason that is significant, Sir, is that unlike the direct tax system which taxes are based on income, the Value Added Tax does not discriminate. It therefore means that in this society individuals who could least afford to pay this tax have paid it and have paid over to this Government \$260 million.

What is significant, Sir, is that we were told that this tax was replacing a number of other taxes in this country levied at the Port on goods and services, goods in particular, and that the revenue realized from this tax would be equivalent to the revenue which we collected from the other taxes. We accepted that because the tax was being introduced for the first time – we as an Opposition Party believed that Government could not be accurate on its predictions. And so

we gave it to the Government side that they could come out, we knew, because we had already broadened the tax base. We were now taxing not only goods but services. Therefore you were bringing in taxes from a number of areas which were not taxed in the past, but \$260.9 million? And then we boast about giving back \$40 million in a basket of goods, as we put it.

Asides.

Mr. DEPUTY PRESIDENT: Quiet please. The Honourable Member is entitled to be heard in silence.

SENATOR Mrs. A. P. THOMPSON: Mr. Deputy President, I do not believe the Members of the Government Side would expect me to join them today and prance up and feel proud about what I consider to be a very disgraceful outturn.

It is interesting, and I note that the economy...

Mr. DEPUTY PRESIDENT: Senator Boyce, asides are not meant to be heard by anybody else other than what they are intended to be, asides, not across the table. Thank you, Sir.

SENATOR Mrs. A. P. THOMPSON: The economy has continued to grow and we are now into our sixth consecutive year of economic growth. The Barbados Labour Party Government is into its fourth year, therefore two years prior to this Government, this economy had started to grow. I feel pleased, Sir, that the economy is on a growth path. Therefore, when I stand here to make my contribution on this Appropriation Bill, I must ask myself how are we going to distribute these resources?

As we go about providing these services through these various departments of Government, can I see equity and fair play? Can I as a result of these Estimates determine that we are really well on our way to a just and humane society? My contribution therefore on these Estimates, Sir, would seek to look at the interest of those individuals who cannot for themselves provide a comfortable standard of living, the vulnerable groups of this society. And for me the vulnerable groups are the youth, the aged, women and the disabled.

Sir, if I turn to the youth of this society, we have what today in Barbados one can consider a very serious problem. There are many of us who because we have been exposed to a reasonably good level of education and some of us who have made it through universities do not want to accept that we have some serious challenges to face in the education system in this country. Today we have to accept that for whatever reasons we have been failing in our education system. Yes, we continue to produce some stars, but the number of falling stars significantly exceeds

the number of rising stars. Therefore, as we attempt to address whether we have a humane and fair society, we have to look at these young falling stars.

Mr. Deputy President, when I deal with a matter such as education, I am not here to point a finger at a Barbados Labour Party. I am not talking about which Government is responsible. The education system of Barbados is a part of Barbados and whichever Government is managing our affairs that Government is responsible for the system. Today this is 1998 and I have to deal with the system that we now have and the management of the affairs of this country. Therefore, let me say to the Barbados Labour Party Government what I see is wrong in our education system and try to see how best these concerns can be addressed.
3.10 p.m.

We at this time, have a number of our young people who leave school at the age of 16. We have recognised that sometime in the past, they left school at an earlier age but let's be realistic about it, things have changed in this country and our system must be able to respond to the changes that we have in our society.

When I left St. Michael School at 16½ years old, I went to teach at Westbury School by the Monday of the following week and I left on a Friday. That was at the age of 16½. We must accept that that is no longer the Barbados that we have today. I believe that any Ministry of Education in a Government of Barbados today must ask itself the question, is 16 still the proper age at which our young children should leave school?

As I look at the report coming out of the Task Force and the work they did for us on criminal risk factors, I discovered that all those young people in Glendairy Prison who had committed crimes, they all said that they committed their first crime between the ages of 16 and 18.

The question that I want to ask is this, should we not be aiming to keep our young people in school until age 18? Keeping them under our educational system and while they are there, trying to see how best we can equip them. Also in this document they said, that the reason they found themselves on the streets, cooling out on the block is because the educational system did not gear them for the work place and they therefore found themselves idle and not employable because they were not equipped.

Mr. Deputy President, the case I want to make for these young people is this. Some 30 years ago, we decided at the level of the state that the Government of Barbados could provide secondary education for all. At that time we embarked on a programme which saw us gradually put out of business the private secondary schools in this country. I have

a proposition that I want to make to this Government because it seems to me that a very large number of our young people have been abandoned in what we call a transfer to secondary schools.

I say that because they are too many of them who do not have chairs and desks, who are in what we call floating forms. I know one secondary school in Barbados that has today, six floating forms.

Asides.

SENATOR Mrs. A. P. THOMPSON: That is the point. The point I am making is that if the system is going to be an equitable system, if it is going to be just, if it is going to be fair, if as I have been told in an asides by the Parliamentary Secretary in the Ministry of Education that because I went to a prestigious St. Michael School...

Asides.

SENATOR Mrs. A. P. THOMPSON: I am asking that all the schools be prestigious. We are saying that it is an equitable system and we are saying that it is a fair system. I want to see all secondary school children in this country have access to equal opportunity, equal facilities. We have been told, each one matters. That is not the case. Each one does not matter today in the educational system in Barbados!

We have teachers in our secondary school system in Barbados who every day find themselves confronted with battles in the classroom, with children literally fighting and cutting each other up because they are trying to get chairs and desks. Teachers report that they spend the greater part of their day trying to deal with conflict and trying to resolve conflict in the schools in Barbados.

Asides.

SENATOR Mrs. A. P. THOMPSON: Let us not fool ourselves. It is happening in Barbados today.

The point that I want to make is this, if you are building an equitable, fair and just society, can we allow these matters to continue? Can we allow these matters to remain outstanding? Can we allow our young children who are aware that they have friends who go to other schools and who enjoy the comfort of the classroom and teachers, can we allow them to feel that people do not care about them? Then we wonder why there is an increase in violent crimes in this country, Mr. Deputy President.

I am therefore suggesting, Sir, that since we have so many overcrowded classrooms in Barbados, that in our 23 secondary schools we have an average of 21 500 students, which gives us an average roll of 930 students per school.

The school that I went to, the roll did not exceed 800 students. Today it has 790 students. I am saying that that is a comfortable number to aim for where the pupil/teacher ratio would be a good one and where you can really give to the students the quality education they deserve.

The point is this, that in the schools where you find the children who got the lowest grades in our system of transfer from primary to secondary education, in those schools we have the largest number of students. The teacher/pupil ratio is even more skewed. One would think that in those schools we would have fewer students per teacher because they need greater care and attention.

I am therefore saying to the Ministry of Education that I think we need to look at these private secondary schools. We have at least 14 of them in this country and they have among them about 1 988 to 2 000 students. I am aware that Government gives some assistance in the form of payment of a salary for one teacher for 40 students. I am also aware that the bursary is a sum of \$125 per term. A figure that has not been adjusted for a decade. For the past ten years, we have given to these private secondary schools \$125 per term, per student. An unrealistic sum. That is not an economic figure.

I believe that instead of having to erect other schools to provide more classrooms for students that in the same way that we have a mixed transportation system where we have the private sector providing transportation and the Government providing transportation, that we need to look once more at incorporating these private secondary schools back into the system. We believe that having done the diagnostic tests and all those procedures at the earlier stage, we now have the answer to working out a proper transfer from the primary to the secondary school level. It is something that we need to deal with. We must look at it because things are getting out of hand.

It bothers me a lot, Mr. Deputy President, because after our young people, having been committed to that institution called Glendairy, even when they come out and they try their best to get back into the society, we are not yet the humane and kind society that we should be to readily accept them and try to help them to re-adjust to a normal and comfortable life and we further abandon them. I believe that what we must do is try to make sure that none of them end up in prison.

When I read this document, Sir, the report on criminal risk factors, in the summary, I noted a quotation taken from the British House of Commons, Home Affairs Committee report in 1993. It is a quotation which states that investment in identifying and eliminating the causes of crime is clearly preferable to paying for the damage, once it has been done.

3.20 p.m.

I am saying to the Government that I am aware that it will cost us more should we bring on board these private secondary schools which are now public assisted but I am asking the Government to seriously look at this.

I note that in the Estimates 1998–1999 we have here a figure of \$2 718 400 allocation for these private secondary schools in Barbados with a school population of about 2 000 children. I did what is not a pure calculation but I realise that for the 23 secondary schools with a student population of 21 000 to 22 000 we have \$8 million allocated. I worked out that 2 000 would be about 10% of the population of the Government secondary schools and that maybe we should give them a figure that is closer to that 10% allocation and therefore we should increase that figure from \$2 million to \$8 million which would give them some furniture and give them some equipment and we could transfer some of the students there. The classrooms are very small. They have schools with very small classrooms and they could absorb some of the students in our secondary schools. Government has already determined this on its criteria that they qualify as schools for government assistance. If Government has recognised that by their teaching and the quality of their schools that these schools qualify for Government assistance why can't this same Government decide that these schools can absorb some of these students? That is the case which I want to put.

We have to be more concerned about our young people. There is a lot of talk about EduTech 2000. I for one moment believed that EduTech 2000 is a system which aimed to get Barbadian children to understand the computer. Now I am discovering, by talking with a number of teachers, that EduTech 2000 could assist us in producing robots, that children would now, instead of sitting and thinking and reasoning and using their brains to arrive at proper solutions, that children would now look to the computer to do almost everything for them.

I have several calculators but one thing I have refused to allow to happen to me, I have refused to allow a calculator to destroy, take away completely, my ability to add, multiply, subtract and divide which is something today you cannot walk into some secondary schools and ask a number of students in this country to do.

When I worked in a commercial bank, I used to add up all my customers' pass books in my head. There was no adding machine at one stage. Today you go to a bank and if the computer system is down a cashier cannot even tell you if you put a deposit of \$800 and you make a withdrawal of \$300, what the balance in your book would be. This is because we have trained them to be so heavily reliant on technology. The point I want to make is,

we need technology. It is important. I agree we need it in order to move ahead and do a number of things but the question must be asked. Who is greater, man or the technology? After all, at the end of the day, technology is created by man and now we are here in Barbados, trying to turn our children in human robots.

Princess Anne is in Great Britain saying to the people of England, listen it is all right to have technology but we need our people to think and we have to make sure that we do not push this technology through our schools to the extent that we ruin the capacity of our people to think.

I know what it is to have technology. I use a computer and I encourage my children to use a computer but I do not want an educational system that takes our young children from that early stage and put them at the computer and to get an answer you turn to the menu and you get an answer. You go into the menu, you get this, you get that and when they get out there in the wider world and have to stand up and defend themselves on real matters and have to be able to respond and rebut there is no computer to help them.

I am not against the introduction of technology in our schools so I do not want anybody to say for one moment that I am against technology. I am against introducing technology in our schools to the extent that we remove the ability of our children to think and reason for themselves and nobody can change my mind on that score.

Mr. Deputy President, I also expressed my concern for women as another vulnerable group of persons in our society. My concern today is for women in the home. As we build a more equitable and fair society, as we approach the 21st century with a just Barbados, I think the time has come for us to recognise the efforts of the woman in the home. Today we are talking about bringing social services to our community. Today we are talking about a rural development programme and an urban renewal programme and you are also saying that in future we will be having a social investment fund. I am asking for a social investment in the women of this country who are home keepers or housekeepers. I am asking for some form of income for our women in the home through their community groups that they have access to some form of income. I am not saying you pay women not to work but I am saying that they be given some form of maintenance and in addition be introduced to certain skills in order that they can be equipped to move away from that level of government assistance. This is not an attempt to make this a welfare state but it is an attempt to recognise that in building this just and fair society of which we speak so much that we need to recognise that in our society we have a large percentage of women who, if we were to attach a dollar figure to the value of the work which

they provide in the home, would earn a lot more than some individuals who go out in the wider work place.

I believe also that should we introduce this form of benefit to our home makers we could in some way stem this, what some people call attachment or association with the oldest profession. We must admit that there are some of our women, not all of them, who resort to such out of necessity, out of the desire to provide for their young children, to make sure that they can give their children a meal, to make sure they can pay the rent to have shelter over their head and to make sure that they can have clothes to wear. So I am saying that this Government through the rural development programme and the urban renewal programme, with the allocations made to them, quite a few million dollars, will consider the plight of those women.

3.30 p.m.

I am not asking that they be sent to the Welfare Department. One of the things we need to do in this society in trying to make it a more humane society is to remove the stigma from some of these agencies which cater to the needs of our less fortunate in our society.

Whenever we attach welfare to a benefit granted to citizens by the state, it connotes that they are at the mercy of the public servants to whom they go from time to time and others who are more fortunate who choose to treat them as though they are less than people. I would like to think that we could find a way of granting assistance to these women without these women having to leave their homes and go and stand in line at a welfare department or having to go and actually sit and open up their very souls to people and discuss their plight.

Because if you are saying that right now we have in Barbados the youth commissioners and we have all these other agencies which are now working in the communities, it should not be too difficult for the Government to know who these people are, and the level of assistance which can be brought to them. I am making a special appeal for our women in the home in Barbados.

The other group, the aging in our society. We have been promised by both administrations, the former Democratic Labour Party Administration and the present Barbados Labour Party Administration, a senior citizens' village. I think we need to recognise that when individuals reach a certain age they present peculiar challenges to the society, but they also present peculiar challenges to themselves. What is unfortunate in our society is that we do not have any programmes in place of which I am aware, which prepare people for aging.

It is a serious psychological barrier that has to be passed when one goes from that active and working life into that period when one is no longer earning but

is almost yearning. I do not believe that as a humane and just society that we are doing enough to prepare people for aging. What I would like to see, is for us, through the Government Information Service and Community groups in Barbados, that Government starts a special outreach programme which introduces individuals who are middle aged, because you do not prepare people for aging when they become old. It is a process which you reach over a period of time. You become old. You do not suddenly become old and there are a lot of things people need to know about aging, that a number of people in society do not know.

Not only do they need to learn how to manage their affairs on reduced incomes, but they need to learn how to keep themselves going. Some people suffer serious mental, psychological problems. We need to use our psychologists and our psychiatric nurses in our society to assist these individuals in preparing them for old age. But there is something else that bothers me. In the past in Barbados a number of our senior citizens display special skills and I have gone to countries around the world and I have seen what used to be a craft practised by our older people in Barbados but which has died. Something like a patchwork sheet, as simple as it sounds, a beautiful work of art that is extremely expensive. There are still a number of old people in our society who, as a form of therapy should be encouraged to get back to that kind of programme where they make patchwork sheets that we can sell to the tourists. We can find a way of utilising their skills while giving them a form of occupational therapy. They use their hands, some of them still have very good eyesight and they can do this work. But in addition, they need to be able to pass it on to younger people. How many young people in Barbados know about a patchwork sheet?

Another thing which is a dying art in Barbados, but is very attractive, what we used to call in the days when almost everybody was poor, 'a chip mat'. When all the bits of material from all the seamstresses in the neighbourhood on a crocus bag were used to produce the most beautiful work of art. I have been told that in some places, you call it a 'rag mat'. The point I am making is that is good therapy for the aged. But at the same time, it is a skill that they can pass on to our younger people.

We are saying that we are having growth in tourism but I do not think we are doing enough to benefit from that growth. There are some things which are unusual and peculiar to us which we need to keep alive that are somewhat Barbadian and which could assist us. These are mementoes for these people when they return home. But at the same time it is another way of keeping our old people involved.

Mr. DEPUTY PRESIDENT: Senator Lynch, you are accusing me of letting the Honourable Member speak other

than the rules of this Chamber. I would ask you to keep your asides at a lower tone.

SENATOR Mrs. A. P. THOMPSON: If some of us would go to the Soroptimist Senior Citizens' Village, in Eden Lodge, we would see what one can call a model of senior citizens at work and we will see how much we can get out of our older citizens if only we would invest in them and pay some attention.

In the Manifesto of the Democratic Labour Party the 1994 Manifesto, one of the proposals of the Democratic Labour Party was to make sure that we could in the Eastern side of Barbados, St. Philip, St. Joseph or St. John, establish proper senior citizens' facilities, places for our old people to go where they could be actively involved. They need to stop dumping them. It is all right to have them in a St. Michael's District Hospital where they could get medical care, but some of them could do a lot more than sit and watch each other and talk and pick and pull at themselves. These are individuals who have made valuable contributions to this country, who have done so much for so little in this country and they deserve more. A young caring Government that is really striving to build a just and fair society must take the plight of the aged in this society at heart and must do whatever it can to make sure that they can be kept active in the society until their time has come and that is something that I am really very, very serious about.

The disabled in our society, Mr. Deputy President, I am pleased that we have started in some of our buildings to make provision for them by ramps. I am not sure that we have the new building code which stipulates that we must have ramps and this is something that we need to introduce in this country. It is really sad that disabled people for whatever their disability, cannot move around freely because, in a modern society like Barbados, we are still not making provisions for them to move around freely. They cannot get on to some buses. I have heard that in the new buses that there are the ramps that come down and they can get on and get into the bus. That is a good thing, but we need to see this more in our offices because they do business. Not all senior citizens have gone through Alzheimer's or any of those diseases which causes the impairing of the mind and the ability to think to deteriorate. There is still a very large number of our senior citizens who are alert and who should have access to all the services in this country that they can utilise and I would like us to pay very careful attention to the disabled in our society.

3.40 p.m.

Mr. Deputy President, if I may look at those Heads in these Estimates. First of all, the Ministry which I shadow, the Ministry of Information. The area that concerns

me most under the Ministry of Information is the Government's Information Service.

The Government Information Service has over the years done a number of useful tasks for the Government of Barbados but we are going through rapid changes as a society, almost cultural changes as a society, and we need to recognise that in order for our people to respond at the rate at which we would want them to respond that public education is a must.

An area which I would like to draw to the attention of the Senate is, for instance, investment. We are today in Barbados asking Barbadians to invest but over the years we have been a society of spenders and savers. If you were not spending you were saving, either in the sou-sou, the credit union or the meeting turn. The decision to purchase shares in Barbados was one made by other individuals who were more aware of the importance of share ownership, investing in a company. Today we have introduced in this country an investment vehicle called Mutual Funds. An area which I will touch under the Ministry of Business Development for another reason.

We have a number of Barbadians who have become involved in mutual funds because they have been encouraged to do so. If we were to put a number of these people aside and ask them to explain to us what is a mutual fund they cannot really tell us and it is not fair that we have so many of our people becoming involved in something about which they know so little. I think the onus is on this particular department of Government, the Government Information Service, to carry out a proper programme of education on mutual funds. There are a number of Barbadians equipped to discuss these areas and the Minister responsible for information should use the CBC television and the Government Information Service.

Also the Government Information Service should be used to help our young people to understand. There are certain values that we have as older people accepted to be the norm in Barbados but we have forgotten that for whatever reasons we have not passed a number of them on to our children. I do not know whether today we still have homilies in secondary schools.

Every now and then I go to a Founders' Day Service at the St. Michael School and up to the last 4 years the principal of that school would still from time to time have these long discussions with students on life. I think that that is missing in our society today. Nobody it seems or very few people are taking the time to discuss life, basic values, the value of human life, the importance of living, not living a good life because you can afford to buy expensive clothes and things like that. Living and sharing. These are some of the basic values that are missing from our young people.

I believe that the Government Information Service and the Caribbean Broadcasting Corporation can be used more effectively by the Ministry of Information in order to assist us in imparting some of these – I don't want to call them old-fashioned because they really are not old-fashioned. They are virtues which should be intrinsic qualities but in a large way this is determined by the environment in which you are nurtured and brought up and we have a number of problems in those areas.

I would like to see the GIS assist us as a nation in the building of the character of our young people. A lot more work has to be done in that department of Government.

The Caribbean Broadcasting Corporation and Multi-Choice Television. When we introduced this matter in this Senate for debate, I was criticised because I expressed my concern about cultural penetration. I said at that time that our people need to know what is going on in the wider world and I also said that we have a very fragile culture. If you want to see how fragile we are as a people you bring back to Barbados a Jamaican, a Barbadian, a Trinidadian, a St. Lucian and a Grenadian who were overseas for 50 years each and you look for the one who will have a foreign accent. If you take 5 West Indians and you put them to live in other parts of the world and you bring them all back the only one who would not be speaking like his own people when he left is the Barbadian. I say that we have a reasonably fragile base.

For me, even though I expect to get Multi-Choice TV on Wednesday I want Multi-Choice TV because I want to watch BBC World. I want to watch Business because I am in the world of finance. I am going to be selective but for our young people in this society who are left all alone with the only companion a television screen, are we doing them justice? Are we being fair to them?

These are things that we need to look at because our young people are not holding on to a whole lot and it bothers me. MCTV has its positives but there are some downsides to it. I think the Government Information Service should be used to appeal to parents in this society to try to get home to them the importance of taking their roles as parents in a more serious manner and not leaving their children up to the whims and fancies of movie stars but that they should try to be part of their lives and try to make sure that they assist in their guidance and in what they are exposed to.

All of us have reached a certain age and believe we are no longer vulnerable and can make all kinds of statements but we have to be able to empathise, put ourselves in the places of these young, vulnerable individuals who without guidance can make the

wrong decisions and at the end of the day we have them to cope with because then they are out there wild, loose and creating all types of problems and then we are the head ones to say "arm the police, hang them, make bigger jails, lock them up" when we have let them down. Therefore we need to be more responsible as adults in this society.

I see the role of CBC and the Government Information Service in a modern and changing Barbados as an even greater one, a more responsible role in helping to fashion the thinking and behaviour of our people, fashioning the nation. We need to use our information service and our only television station to assist in this regard.

3.50 p.m.

The other portfolio, that of Industry, Commerce and Business Development. I sat and I heard very glowing reports on this Ministry and I say glowing because that is the way they came over. The language used was carefully chosen and the Minister, as a budding politician, was in his prime.

There are a few things, though about this Ministry which I would like to discuss with the Minister. Recently we discussed in Barbados a micro-investment fund. I think it has a catch name, "Fund Access." When we set that fund up, we said come, if the banks have turned you down you come to us, but I discovered something about that fund which I would like the Minister to look into.

If we are talking about business development and if the Government is saying that it has reached the stage that it is going to take a chance, take some risk on behalf of its business people, how is it that Fund Access is asking individuals to provide three sureties in order to access funds? Let us address this matter of sureties, because what the Government has actually said is we are going to make this money available to you providing three people in the society are prepared to put at risk what they have on your behalf. I think that is unreasonable. I consider that highly unreasonable.

If Fund Access is really about bringing to the people resources to which they do not have access on a regular basis, in the financial circles in Barbados, Fund Access must not carry this stringency of three sureties. I am not saying that Government is to give money away. I believe as I think Fund Access should be, that there be some programme or some process of screening where individuals are told this is a good business idea. This is one that with assistance you can get somewhere. I do not believe that you just take your money and give it because somebody says he has a business idea. I thought Fund Access would be like a business incubator, a place to which people who have only an idea, and who are delicate and fragile in the areas of planning,

management, collateral, and all these areas which are a natural part of business, that Fund Access would be there to prop them up, mold them, put them through this stage and then let them go; but if the first hurdle is going to be sureties then surely Fund Access cannot realise the goal which it said it is set up to realise. I think the Minister of Business Development must look at that Department more closely.

Another concern I have about small business development in Barbados – I am fully behind the development of businesses in Barbados and I would not like to see our business remain small, so I believe that we should target individuals who have interest in businesses where there is a potential for growth. We should therefore provide government for them. Government should help them to identify niche markets, areas in which they can enter and there are really good prospects for growth.

This brings me along to the question of having these several small businesses in a small economy like Barbados. Is it not time for us to start and push the idea of business co-operatives? We need to start to encourage our small business people to pool resources such as skills, knowledge and finance. I am making this point for the second time alone in the Senate but I am making the point because I believe it. Instead of having so many small businesses scattered out there, which will not grow beyond a particular point, we can identify at least one particular area in which we can put five or six of our small people who have good ideas and skills and develop it. I am saying there is a possibility that we can get them into a niche market and help to produce a business of some meaning that can last for some time and that can really contribute, not only to the development of these individuals, but to national development. I know co-operative comes under this particular Ministry so I am appealing to the Minister.

You know, one of the most frustrating things about getting into a business is when one realises that it cannot go beyond a particular point. It is very frustrating especially if the individual who has gone into that business is not one who has access to other resources to make a decision to switch. That is the only thing the person can do. There is no scope for it to grow and so frustration steps in. It is possible we can have a lot of small business people in this country who will have access to funds through Fund Access, through the Rural and Urban Development Programme, but they are not in areas that are sustainable. We need to look at that more closely. That concerns me. I would not want to see them frustrated as we have frustrated the youth in the education system. Let us try and make sure that we can really develop these people in businesses in Barbados.

I also heard about the trade shows and all those special overseas missions that our business people

have been taking on and I am glad for them. I am happy that they had an opportunity to see how other people operate in business overseas, but I hope we will have at home a continuing programme on business. We, as a race, are accustomed having itinerant vendors. We had the potato vendors. We had nut sellers. We have had, over the years, individuals of that type as our business people. Unfortunately, we never thought of them as business people. I believe the only individuals in our society we considered business people to a point was the small shopkeepers. We never saw the tailor at home turning all those lovely suits as a businessman, neither the seamstress. What this is saying to us is that there is a cultural shift, an attitudinal change that is necessary if we are to succeed in this business thrust.

It takes more than access to funds. It takes a change in the thinking of, not only those individuals who would want to embark as such, but those who should seek to patronise these businesses. We need to ensure – whatever agencies of Government – we get home to Barbadians that we are trying to move away from that employee mentality, that we are trying to make sure that we can be the owners of our businesses and that we can make them succeed and that this is a whole new thrust. and that they need to understand and get on board. They need to understand and get on board. I do not think we are doing enough work in that area so we are still having those same people who have been interested in business for a long time and maybe a handful of others who realizing that nothing else is out there for them would decide to see if they can go to this fund and get a couple thousand dollars and see what will happen. I do not believe that is what we want. I do not think the Government of Barbados would like to see these funds, as some people would call them, as political pork barrels either.

4.00 p.m.

I believe the Government would want to make sure that at the end of the day, considering that we have disposed of State assets, and that the funds which are going to be assessed through the Rural and Urban Development Programmes that some of the proceeds from the sale of what used to be State assets, the Cement Plant, and Heywoods that this money is really used toward continuing development of our country. I would like us to pay greater attention to these small business people.

The Cooperative Movement in Barbados has grown significantly over the years and I would like to see them integrated a lot more in our society. How many people look to the Cooperative Movement or cooperative savings as a vehicle for retirement planning?

I believe in the 1996 Budget that the Minister of Finance made reference to registered savings plans. To date,

nothing has happened and this is a beautiful opportunity for the Cooperative Movement, the commercial banks, trust companies and insurance companies in Barbados to help take up some of these funds which are out there and assist Barbadians in planning for their retirement, but I am yet to find out from Government what is responsible. Why has it taken so long for us to come up with the legislation which makes it possible for retirement savings plans to be put in place? If the resources are not within Government, certainly they are out there in the private sector in insurance companies and the Government of Barbados should work on this speedily.

The other thing that concerns me is that we have allowed mutual funds to be marketed in this country and to date we have not put consumer protection legislation in place. Are we going to wait until we have to put legislation for international mutual funds to recognise that we need local legislation for mutual funds in Barbados?

Mutual funds must be marketed in an environment in which those persons who sell them adhere to due diligence regulations where those companies which market mutual funds must give full disclosure to those individuals who buy them about the types of funds they have and the risks they are taking. That is not to say that institutions in Barbados which are already in the business of mutual funds have not been doing this because I know that they are following what happens in the international market. They have their prospectus out there and the information is out. But why has the Government of Barbados not yet seen it possible to put the mutual fund legislation on the books of this country?

There is the protection in law which citizens of this country deserve. I am saying to the Government of Barbados that it is high time that this legislation be put in place in this country.

I really cannot think of another jurisdiction in which people would be allowed to trade in an area – We have an all-equity mutual fund in this country. All equity means all risks and we have no legislation in place which is mandating that the consumers of this country be told what they are into. How many Barbadians know that the higher the rate of interest the greater the risk and that when they run after the highest interest rate that they are exposing themselves to the greater risks?

The responsibility of a Government that is encouraging people to be involved in investments, especially high-risk investments, that Government has to make sure that protection is in place for the people. I hope that within another couple of weeks or so that we would see the legislation on the books for mutual funds in Barbados. We cannot leave it up to chance because we might have one or two good players now in the business.

There are others who could get into it in a very short space of time and create all kinds of problems for us. We do not want to tarnish our reputation in that area and the Government has the responsibility to provide the protection for the consumers of this country.

I am pleased to see that we are getting into areas of export. I am a Barbadian and I recognise that we need to earn our foreign exchange in order that we can pay for the goods which we consume and which we import in order that we can service our foreign debt. I am pleased to hear the Minister say, and I believe that when he said it he was being factual, that we have increased our new businesses in the area of exports.

I hope we can continue to grow in this area because everybody who has heard me speak on business in here knows that one of my concerns is that in Barbados businesses do not survive beyond the life of the individual who started up. We do not have a strong family business culture in Barbados. We have not yet managed to build businesses which pass from one generation to the other. This is an area in which the Minister should really pay very close attention to.

I think if in Parliament and the acquisition, conservation and transfer of wealth are to be really a reality, we must make sure that we can have in Barbados businesses which can pass from one generation to the other. That is why it is so very important that in the advice on business development that individuals be encouraged to get into businesses which have some scope and offer some longevity, that can be around for some time because that is the only way we can guarantee that our people can really be empowered and that generations after can benefit from these businesses. The Ministry of Housing and Lands – Mr. Deputy President, we have had quite a lot of discussion in this Senate on land and land use. The annual exercise such as the Estimates debate, for me, is a time when one, if necessary, reinforce certain concerns since we are discussing the distribution and the management of state resources. Since I have chosen as my field in part, building a just and fair society, I would want to address my attention to this particular Ministry, the Ministry of Housing and Lands.
4.10 p.m.

The question that I have asked before of this Ministry, I would like to ask again. How soon are we going to get a statement from Government on land use in this country? Almost every day now as I move around Barbados, I do not know if we realise it, but Barbadians seem to be very concerned about whether their offsprings are going to have an opportunity to own a piece of Barbados. Their concern is not only about whether this is going to farmers, their concern is also about whether we are giving careful consideration to

determining what is a reasonable size for a house spot. From the time I have heard people say that in the past, Government in its own housing development programmes looked at about 3 000 square feet.

I am not in Government so I do not want to make this statement but Barbados is not going to get any bigger. We must make sure that Barbadians today have the comfort of owning their own land and that Barbadians in the future can do likewise. It is an area that we will have to, as the old people say, bite the bullet on.

I think that in a country that boasts of its democracy, it is going to present a very serious challenge to Government because there are individuals who would always want to be able to buy the size lot that they can afford but at the same time I believe that the State has a responsibility to make sure that in this equitable, fair and just society that all Barbadians who can afford to and who want to must be able to purchase a house spot in Barbados.

We have to look seriously at our land use policy in this country. It could mean going through land reform in Barbados. Coming out of this, there are some individuals who may even say that we are not as democratic as we used to be because there are some who may feel that the State is depriving them of something. This is a matter that we must address. It is a very serious concern to a number of Barbadians and I do not think that we should ignore it.

Also the social services area. I know that I am talking about housing and land but housing is a social service. I know that the Minister responsible for the public service has promised us that during this year he will be coming with a programme on consumer customer care. I do not know how soon this programme will be put in place but it is needed urgently. It is really sad to listen to the cries of people as they relate their stories of having to go to Government departments to deal with individuals who are responsible for helping them to find house spots or houses for rent for a poor family. Because we have fostered this culture that individuals who are dependent on welfare, as we put it, are at the mercy of the State and those who work for the State, these people some of them wish that they did not have to go to get this necessary assistance.

I am therefore appealing once more to the Minister to get into these departments of Government, the department of housing, the statutory board that assist in providing housing in Government, the National Housing Corporation, the National Assistance Board, the Child Care Board, all these agencies of Government to make sure that all members of staff, not only those who are specially trained to deal with the needs, but all members of staff understand that they are really delivering a caring service to the

public of this country. These people have been taxpayers at some time, will most likely be taxpayers in the future or that they will be glad to be taxpayers but they do not have a job and that they are still citizens of this country and that this is a 'just, humane and fair society' and so they deserve better treatment. They deserve the best care that can be given to them.

As I peruse these Estimates my interest has not been on whether millions or hundreds of thousands have been allocated to particular heads but I am trying to find out whether in these areas of Government which directly impact on the livelihood of our people, that our allocations have been reasonable, that our target groups have been the correct one and that at the end of the day we are really trying to build a 'just and a fair society'.

When we debated the CDERA bill, there was one matter which I wanted to raise. I do not recall that we have had a drill in Barbados for sometime in which we put all of the emergency forces in this country on alert for disaster. Only last week I was hearing of another Caribbean territory that was going through one of these major drills and the question I would like to ask of the Minister responsible is, how soon are we going to have another one of these drills in place in Barbados? We boast that we are a modern society but it would be very sad that should we have a major disaster, God forbid, that we would not be in a state of preparedness to get out there and as quickly as it is humanely possible try to restore this country to its original state.
4.20 p.m.

One of the things about Barbados that we need to bear in mind is we are a tourist destination. And I believe in keeping Barbados first for Barbadians but at the same time we rely so heavily on tourism and the foreign exchange which we earn from tourism that all these areas which would in some way impact on the quality of life and service that we offer to tourist, I believe we need to pay greater attention to them. That drill that CERO and CDERA and those other agencies carry out for Barbados from time to time, I think it is about time that we get into that area again in the interest of maintaining our national reputation as a safe and stable place for people to want to visit.

The Ministry of Health and the Environment carries the largest chunk of the national budget, \$216.5 million. There was a time when we boasted that we provided the highest quality health care in the region and I believe today in some areas of the health care system we can still make that boast. But it is a bit unfortunate that at our leading health institution in this country, at the Queen Elizabeth Hospital we have so many nagging problems. Some of them by now I thought we would have been on top of them. We are still having the problem of shortage of nurses, we are still hearing of one

nurse manning a ward, with over 30 beds, into all hours of the night. We are still hearing of nurses having to be shuffled back and forth from one ward to another in order to make sure that sick people can have some level of health care. We are still hearing about specialists in the medical profession not having access to the equipment which they need to carry out their services in specialised areas. We are still hearing of the problem of the distribution of drugs to people who are in the hospital. I wonder why on this large national budget for the Ministry of Health are we still encountering such difficulties.

I thought that when a certain decision which I believe I cannot comment on, a certain major decision at the Queen Elizabeth Hospital, that we would have resolved almost overnight all of the problems which confronted us at that health institution. But alas that is not the case and today we have a large number of frustrated health care professionals at the Queen Elizabeth Hospital. If these individuals who are supposed to look after people's lives are meeting such frustrations we need to ask a question. Can they deliver the quality health care necessary for people to recover and come back out and live a normal life? When these challenges are presented to them do we affect the level of efficiency at which they should be functioning? These matters I would like the Minister of Health to address.

I have been given a list of a number of concerns which the staff, medical and nursing staff, at the Hospital have. I am not going to itemise those concerns this evening because to do so there are some who might say that I am being unpatriotic. I love Barbados and I would love to think that we can project the most positive side of this country to not only Barbadians at home but Barbadians abroad. But we need to recognise this, that at a time when we are appealing to Barbadians to return home, when we are saying, come back you belong here, we have to make sure that we can offer them high quality health services to which they have grown accustomed in the other countries in which they live.

At a time when we are talking about increasing the number of long stay arrivals in this country, I heard one of my Senate colleagues say that he is in favour of long term arrivals and... emphasising, not his words but mine, cruise ship arrivals. When we encourage people to come here and stay for longer periods should not we make sure that we can offer the type of health care, should they need it, that would help to keep our reputation in tact. I am not happy about that.

I am also very saddened at the thought that individuals who go to the only psychiatric health care institution in Barbados, that they are subjected to less than human conditions. If we are serious about a humane

and just society, how is it that we treat the mentally ill of this country in this fashion? Why, after all these years, have we not come up with a proper system of care for these individuals? Why is it that some of them sleep on concrete? Why is it we are told some of them are kept without clothes? Certainly we must find ways of dealing with them. If they are mentally ill to the extent that they cannot wear certain clothing or whatever there must be some form of clothing that we can get for them. We are not the only country in the world with mentally ill people. We must not continue to have them exist under these conditions. We cannot be a humane and just society. Do we really expect them to come back into society and live a normal life after we have subjected them to that treatment? I am therefore appealing to the Ministry of Health to look again at the psychiatric hospital. Do we need a new hospital? Do we need more modern facilities? If we must get some study done, or something that would help us come up with answers to the problems at the psychiatric hospital, I say, do them now. Let us deal now with the problem of the mentally ill in our society. It is very sad. Unfortunately I do not go there any more. I used to go there to visit friends.

Asides.

Mr. DEPUTY PRESIDENT: The English language is so funny that if you do not use it correctly it carries the wrong interpretation. I will give the Honourable Member a chance to correct herself.
4.30 p.m.

SENATOR Mrs. A. P. THOMPSON: I have already said that I do not visit there anymore.

Asides.

SENATOR Mrs. A. P. THOMPSON: I have clients who work there as nurses and I know of relatives of friends and clients who are there and from time to time in the past I have gone there to pay a visit. But I really cannot take the conditions under which these people live and they really deserve to be able to see people from time to time to have some kind of contact with the outside world.

If everyone thinks the way I think, that you cannot take the conditions under which they are existing, what it means is that nobody would want to go there to see them. So it means that when we put them in the psychiatric hospital we have actually abandoned them. And that is not good enough. It cannot be a health care institution if that is the treatment we are subjecting them to.

There are two questions I would like the Minister of Health to ask for me. I know the Shadow Minister is not here today. I believe we need a progress report on the Greenland landfill. We heard in the earlier stages that work was going

on there, but what we have not heard recently is what stage have we reached in the Greenland landfill. How soon are we going to be ready to use that landfill? Is it still going to be the National Landfill? There are significant sums of money allocated to that particular project. A lot of criticisms were raised when the Government decided that Greenland would be the location for the landfill. The people in Barbados were given an assurance by the Minister of Health and the Environment that all the necessary studies were done and the advice of the experts was in and that Greenland was the best location and that, I believe the date has already passed when we should have started using the Greenland landfill. Is it unreasonable therefore to ask for a progress report on the work at Greenland? I would therefore like, maybe the Leader of Government Business can by the end of the Estimates debate, give us some progress report on that landfill.

The other area under this Ministry that I would want to make an inquiry about is the South Coast Sewerage Project. I believe that following on the heels of the South Coast Sewerage Project should be the West Coast Sewerage Project and I think we recognise that we have a very fragile ecosystem in Barbados and we wanted to make sure that we had passed the stage where we were going to be dumping raw sewage in our waters around us.

I therefore eagerly looked forward to the South Coast Sewerage Project and anticipated its completion on time. I note from reading in the newspapers that we have encountered some difficulty with it. I am therefore trying to find out from that Ministry, when will it restart actively and aggressively on the South Coast Sewerage Project? How soon can we expect to have it functioning, to assist in our environmental planning and can we anticipate cost over-runs as a result of the recent set backs encountered in this project? And if we can expect overruns how will such overruns affect the relationship between the Government of Barbados and the international institution associated with the South Coast Sewerage Project? Those are the questions which I would want answered under the Ministry of Health and the Environment.

Another area under that Ministry that concerns me a bit is in the area of this disposal. I think we can start making households sort garbage. I think we are moving around rather slowly in this particular area. But we need to do some serious work in this area with Barbadians in the way they go about not putting some of the things we now put into the garbage. Every now and again we see a little clipping in the newspaper about a compressor, but I do not think as a national effort we are putting enough into it. I think a number of Barbadians can indulge in compressing.

The other thing is that a lot of Barbadians are still sending a lot of plastic bags and a number of things that should not go to the regular landfill into our dump. I

think that we have already accepted that these pose a threat to our environment and I believe the Ministry has to do some work in this area in encouraging Barbadians and in making sure that we have in Barbados a facility which can accommodate the separation of garbage and then the facility for the disposal of such. We are dragging our feet in that area and we need to pay greater attention to it.

The Sanitation Service Authority falls under this Head too. I am not going to complain, maybe because I live in St. Michael and because my house is, maybe a stone's throw away from the Sanitation Service Authority, I do not have a major problem with garbage collection in my area. But I know that in some areas of Barbados, people have not had their garbage collected for two weeks. As recently as the month of February I know of a fairly large neighbourhood in which there was no collection for a period of close to two weeks. And in the month of January, there was an accumulation from immediately after Christmas in that particular neighbourhood.

It seems to me that although the Sanitation Department has managed in some areas to improve their collection services that we are still having a number of problems in other areas. I do not know if it has to do with the vehicles, I do not know if it has to do with parts, I do not know what it is, but there is a problem still in that Department. When you are dealing with a Head that carries a budget as large as \$200 000 000, it must be subjected to the scrutiny of members of this Senate and I therefore have no difficulty in expressing my concerns about that particular Head.
4.40 p.m.

Therefore, Mr. Deputy President, those are the areas in these Estimates which concern me as I peruse the Estimates for 1998-99. I would like to make a suggestion to the Government of Barbados. I know that we do not debate the Budget so any matter which I would like to see raised I have to deal with it around the Estimates and since we are dealing with revenue and expenditure I believe I can touch on this matter.

I recognise that the Value Added Tax system and I want to close on this note, the amount of tax collected by Government is determined by the rate of consumption of individuals in this society and I know that no government can predict in advance how people would consume goods and services but I think we need to consider seriously introducing a value added tax credit in Barbados.

It is a credit which is claimed retrospectively. It is based on the taxes paid by individuals in a certain income group in the year preceding the particular year in which they make the claim. It is nothing new that I am talking about. In Canada where there is a goods and service tax which is the same as the value-added tax in Barbados there is a goods and service tax credit.

I believe we can look at that magical income of \$15 000 a year which is about \$1 250 a month and that individuals who fall within that income category of \$15 000 a year should be able in the year following to file with the Government a value added tax declaration which allows them to have a refund. In Canada the refund is done on a quarterly basis. They would have a refund if not on a significant percentage of the tax paid in the previous year. That is one way I believe the Government can give relief to individuals in that lower income category who are bearing the brunt of the value added tax.

I say they are bearing the brunt of the value added tax because they have no discretionary income. They cannot decide whether they should buy this or that. They have to buy these things. So in order to make sure that in the year you have given salary increases in Government and in a year that other businesses have given between the same 5% and 6% increase we can anticipate that spending would increase in Barbados and although it seems that we are not going to collect that same level of taxation by way of the VAT I think it is reasonable to assume that we could bring in a considerable excess of value added tax as a result of these increases in wages and salaries in Barbados.

The Value Added Tax is a regressive form of taxation unlike our direct tax system which is progressive and I am therefore appealing to the Government to consider a system like the value added tax credit which would reimburse those individuals who really cannot afford to bear the burden of the VAT and who should be granted the opportunity to save a little bit of what they earn.

A portion of everything a man earns should be his to keep and therefore we should not continue to have a system which encourages people to spend all that they earn.

Mr. Deputy President, I believe that if we are to have in this country a just, humane and fair society those areas of concern which I have touched on in the Estimates should be looked at. If there is a recommendation that the Government considers feasible I believe it should look at it because at the end of the day Barbados does not belong to the Democratic Labour Party or the Barbados Labour Party. Barbados belongs to us all. Thank you.

SUSPENSION OF SITTING

SENATOR THE HON. R. R. FARLEY: Mr. Deputy President, I beg to move that this Sitting be suspended until 5.15 p.m. today.

The question that the Sitting do now suspend until 5.15 p.m. today was put to the Senate and agreed to and Mr. DEPUTY PRESIDENT suspended the Sitting accordingly.
4.50 p.m.

RESUMPTION

Mr. PRESIDENT: The Sitting is now resumed.

SENATOR Dr. V. J. DAVIS: I think this is one of the duties that we have to perform and as I respond to the Appropriation Bill for 1998, I would like to look back at the fact that this is the past, the present and it is really the future but I want to start by saying that one cannot help but feel that where we are right now in time in Barbados is a very good moment in the history of our people, our Government. We have had so many years of democratic Government in Barbados. We have had so much stability and integrity in Government that we can approach our Appropriation Bill right now with the fact that we have been there. We know what it is about. We see that there has been such fiscal and financial discipline. We see that there is so much development in economic activity and we recognise that the Appropriation Bill has to do with the spending of the people's money.

When there is good Government, when there is good discipline, when we use what we have wisely we can in turn disburse funds so that they benefit the people of the nation. It is an interesting paradox that Barbados is an island but no man is an island and no island is an island, in today's world or in any world because so much has happened in the world which hinges on what people do. I am saying this in the context of our young people. I think the whole world has realised that we have a whole new ethos but there is no question that we are at the end of the 20th century, that we cannot live with people who are in dire poverty, people who are in dire straights and still live safe, secure lives.

We have all recognised that the whole issue of poverty alleviation, the whole issue about the world in which resources are going to be spent is an issue of seeking for the future, for those people who are coming up, those who we are going to leave behind, because some of us like me, we know do not have much longer around so we have to think in terms of these young people coming up. Personally, I probably will go to a hundred but that is not long.

That is why I am prepared to speak about the whole question about where I see our youth going, because I am talking about it and because we cannot get away from our personal history. I suppose, it is going to have to revolve around Head 34, Education, Youth Affairs and Culture. Let me say at the outset, there are so many ideas, so many challenges that I see that the Ministry is responding to in terms of what we do about education and our youth. I can list them and top of my list so far, I will just briefly say what is happening in the youth programme but I am going to talk about that a lot more.

I also looked at the whole question of the initiative on children at risk. I also would like to look at the issue of the question of children with disabilities. When I look at the Estimates, I can see that in those areas the allocations have grown, that they are more than the previous years. Secondary education, tertiary, I am going to say in passing as I have said in several years, I would like to see every single student in Barbados who qualifies to enter university, go to university. I would like to see that happen and I know it is possible for it to happen. I know it is almost a sacred cow in Barbados. Education is free and education at university level must be free. I have my reservations which I have always explained about that. I think that what we must do is to make sure that everyone, not only that everyone must have access if they qualify for university, I think that we must make sure the funds are available but I also think that young people must accept some level of responsibility, they and their parents, for some aspect of that education. I am not saying this in a vacuum.

As a matter of fact, right within the university of the West Indies and the sister campuses at Mona and Trinidad and Tobago, people are already having to put something to education and I say this because when I examine again the Estimates, and when I happen to know what the percentages are in terms of people, in terms of the taxpayers, I have absolutely nothing against the Government of Barbados putting under Head 34, Subprogramme 273 for UWI – \$238 million.

I am very happy with the fact that the Barbados Community College gets an extra \$3 million this year. That is again Head 34 Subprogramme 255. I also would like to lend my voice to the fact that I think the Associate Degree must be awarded scholarships to the Barbados Community College. I was part of that programme where we worked on all these things to get the Associate Degree Programme going and we had to do a great public relations effort to get parents and children to accept the Associate Degree as something that is very, very worthwhile and useful.

It is a bit disturbing. I know there is money there and I want to see and hope that it comes into fruition this year, that there is going to be a scholarship for Associate Degrees just as in the same way that we have a scholarship for 'A' Level students. As I said, I have no problem with a child who qualifies, but the problem is, of course, that very few of our young people are qualifying for university. This is the problem and I think that the way this problem has to be tackled is way down in our system. That is why whenever I look at what I consider to be children at risk, I know the majority of our children in primary schools, the majority of our children in secondary schools... given the good teaching – the thing about education is that there are so many "givens" in it. There are so many variables that on the one hand you can say that once we set up the schools, the school

plant, the teachers, once we pander to their enthusiasm, the commitment, the average child... and we think the average child should make it through the system but we also know there are other factors. There are psychological factors, economic factors and social factors which militate against young people. The problem is that most of them are not making it through the system. I know the Ministry is tackling that, looking at new areas in terms of curriculum.

5.30 p.m.

I know also that we are looking at parent/teachers. We are looking at ways in which to bring parents into the system to help with our children but, as I said, there are factors out there which are militating against our children and that is why I talked first about the fact that we do not live in isolation. There are people who attribute a lot of what is happening in our society in terms of our youth, in terms of what is happening on our television sets and in terms of what is happening out there in the world outside of parents' jurisdictions. It used to be so simple.

When I was growing up, I think it was easier to bring up children, our lives were pretty well circumscribed. There were not so many influences which penetrated that fortress of the home and so the technology, the double-edged swords, when you see people talking about telephone calls, children making calls about telephone sex – I do not know what it is all about – when you see what is being shown on television, when you see the movies – there are so many influences on our children that we almost cannot control. It has reached the stage where the parent, the teacher, even the preacher finds that we live in a world that is becoming more and more difficult to control the influences on our children. The challenge is then for us, and I think this is a challenge we will have to accept, given the social realities. We all know the statistics about the children.

I have a friend who is a single parent who said she is sick and tired of people talking about that as an issue. I do not think it is an issue *per se*. What I think is the issue and what I think we have learnt from the problem with our young males, and these are the people I am really concerned about and have always been concerned about. I consider this as such a tragic waste of human resources when I see those able young men about. The real problem is not really the single mother and so on. The problem is they really do not have the support group that comes from the male balance in this equation. No longer can we say the parent, the teacher or the preacher. We have to do a little more. We have to become more of parents as teachers and it is a very difficult thing to face.

Governments are probably going to have to play the role of parenting and this brings me to the point. When I say parenting, parenting in the sense that they are going to have

to use more resources in terms of supplying the discipline which I think is missing in the homes of our young men.

I think the future is going to be pretty bleak for all of us if we are not going to feel a sense of great urgency. This is probably the fourth year of these Estimates I have been dealing with this. It has never failed to worry me and I have continually talked about it. I am just talking. I know it is not going to solve the problem but I have seen glimmers of hope and this is why I am saying that I think maybe the Government is going to have to step in, in the role to discipline our children.

This, I can think, is possible when I was privileged to work along, for a few weeks, with the members of the Barbados Youth Service at St. Lucy. Everyone who has seen those young people would agree that after 12 weeks of residence, when people have seen the change that came over young people who did the 12 weeks' residential training, would really long to see all those young people.

The truth is I do not think it is going to be that expensive or difficult. The question is to recognise the critical moment and do something about it. I think we have reached the critical moment to say that those students who have left school at 16 and who are going nowhere else – They are not going to the Samuel Jackman Prescod Polytechnic. They are not going to the Community College. They are not in the Skills Programme. They must get that 12 weeks of residential discipline.

I know issues like these have tended to be controversial. I do not see any controversy now when I pick up my morning papers and on the one side I see all about this fantastic development and on the other side I see another gun has been used to hold up somebody, or a cutlass, or a collins. I think the time is long past where any of us should waste time to debate any pros or cons of this matter.

I would say the priority must be our young men because we all know that our young women are usually, if they are not working, they are going to be at home. They are going to have chores. They are going to find something to do within the house. You do not see them hanging around the streets, so our priority is going to have to be young men age 16 and over who must have three months' residential training. I would start with three months' residential training which would give them that discipline and then they could move on as the others have moved on to travelling and so on.

Of course, and this is where I came in and I must make this observation. They are doing wonderful things. They are doing parenting. They are doing some exams and so on. They introduced something called "Black Studies" and this is where I came in. I want to say right here

now and I think I mentioned this to the people at the Ministry. I do not agree with the term. I think we have discussed this. I do not want to see us talk about Black Studies. I want to see us talk about African Studies. I will just give a quick reason why.

Coming from my position as a Pan Africanist, if we talk about African Studies we are going to include all the people who came from Africa or wherever they are in the diaspora whether they are in Peru or anywhere. We are going to have Asian Studies because nobody else is going to call themselves black. If we say Black Studies, we certainly do not include Indians because they do not see themselves as black because that does not define them neither does it define us. It defines a colour so that we need to have Asian Studies. We need to have African Studies as we will have Comparative Religion. We want to broaden in this time of our life the whole scope of education for our children so that I think ideologically, I have spoken about this. I think that people can easily agree to discard the term "Black Studies". As a matter of fact, the irony of that is that in the United States of America they have something called Black Studies which many white students attend. Black students do not and that is just by the way.

When we talk about inclusion in the new curricula we have, let us bring everybody in. All our lives we have dealt with European studies so we can bring everything in and let people have a wider base on which they can view themselves because there is no doubt that part of the problem with our young people out there is the question of identity. It is a question that they do not know where they are in the society. Sometimes people frivolously talk about Barbados without recognising that sort of division that I see when I look in the newspapers or when I look at Port St. Charles and I look at something happening in Deacons Farm. The question of self-image and all that is very much a part of the new thrust. I congratulate the Ministry of Education for that. I just wanted to make that position clear about what they call Black Studies, it is to me African studies and we must also have Asian studies. As a matter of fact, I think there has already been a book out on India. It was given to the Minister of Education.

5.40 p.m.

Let us get back to the question of the allocation. Having spoken about Youth Affairs, who are the children at risk and why is it happening? The Youth programme on page 81 under Head 34, subprogramme 201, we have \$5 835 000, you could call it \$6 million. I thought that was a very interesting idea, children who are obviously having problems in a dysfunctional situation, there are no two ways about it. You hear all the stories, the young girls, problems within relationships that is probably a mother and a

boyfriend and a young teenage girl. There are children at risk whether they are girls or boys. That is something that recent court cases have brought home to us that girls are not the only ones at risk sexually, we have boys at risk all the time. So the Children at Risk programme is a very, very imaginative one on page 74, Head 34 – \$330 000 is allocated.

Under Head 34, page 112, subprogramme 430 – Disability Unit. As I said this is a great improvement from the time when I first came in here when I think some people did not recognise that there were children in the school system who could not read and who were dyslexic and who had all sorts of problems. So much has happened since and that is why I am so happy to talk because four years ago that was not even considered. Now we have people checking on children for dyslexia, for hearing and so on. This is wonderful.

We have \$610 000 for the Disability Unit. Under Head 30 under the Attorney General, subprogramme 254 we have \$2 440 000 for special schools. Under Head 34, subprogramme 375 on page 71. We have there special school – the Challenor School and Learning Centre – \$775 000. Of course, I could have brought up what comes out from the secondary school, those children who are going to be sixteen, the boys especially who would not have been able to get one CXC.

We are talking here about \$10 million for young people. Young people who have not been neglected but who we have to pay special attention to. I am talking in terms of the future. I am talking in terms of the kind of society that Barbados wants to see itself having. I think that is very disproportionate when you think that the education budget is \$189 million. I do not think that this is good enough.

I really believe that our Youth Programme could probably be spending three or four times as much as that. I think if we want to save Barbados, if we want to do all of the wonderful things like alleviate poverty, live in a safe country, we want to make sure that the future for our young people is going to be secure. We are going to have to shift our emphasis a bit. This has always been my contention, that we are not putting enough of the money where our mouth is. I think it does not give a fair picture of what we want to do while just roughly 5% of our Estimates is going to be allocated to young people who are very seriously at risk.

I am absolutely delighted that so many things are happening like special schools and money going towards them. Even if we count the Disability Unit and the special schools which also deal with disabilities it is still just \$1 million. I think it is very serious and we have to

take seriously the challenge of those young people out there. If there is one thing I would like to see in Barbados is for those young people to be put into a situation where they are going to be disciplined.

I do not think it is beyond us as a Government and a people to spend \$20 million or \$30 million toward what has become a menace to our safety and well being. To give human beings the dignity of being human beings. Actually, what those young people are doing, give them, in their own way, a sense of dignity and power. Strange as it may seem to us, nice, sensible level-headed people, the collins and the guns and the drugs and the drug lords, all those are for them signs of dignity and empowerment. If there is no one out there who really can convince them otherwise and I say it is difficult and I will explain the difficulty. We do not live in a vacuum. The kids see these things on television and so on.

I actually plead with the Government and there is no question of debating now the necessity to move our young people who are almost sitting on the fringes with no skills. I have always said that I would like to see the Ministry of Education spending more money and researching these issues very seriously. I might be subject to correction but I do not think I see a heading for research in the Ministry of Education. As I said, I am subject to correction but I would definitely like to see money allocated to research and to researching serious educational problems in our community.

The first thing that I would like to have researched is this whole question about 70% women to the 30% men in the University of the West Indies. We have to seriously research that and if we do not seriously research that we will still be operating in the dark as far as I am concerned. The question of moving our young males out from the streets into a disciplined system and making it a national service if necessary is now beyond debate, it is beyond argument unless we are prepared not to be certain about whether we will go into a food shop or service station and be certain that we will get what we want and come out without being accosted by somebody with a gun or a collins.

There is no more time to debate the issue, we have just got to decide. With the buoyancy in the economy and the liquidity in the banks, all these beautiful things, for me remain just words, words, words, signifying nothing if we cannot live in this Barbados with a sense of security which we have been used to. I never have too much to say. I just wanted to make that contribution because I really do not know how we really are going to say that we are doing much in terms of our young people if we continue to just give them just this. The point I am making is this. They the violent ones are not the majority and this is something we also have not

to get carried away about. We have to know that despite those appearances, they are still people in the minority, but too big a minority for us to be comfortable with. So we must do something about it.

5.50 p.m.

We will keep spending on education. We will keep doing the wonderful things. The average normal child will go to school and get whatever it can and will come out and we will live comfortably and nothing will change. But for those people who are creating the problems for us we must take the bull by the horns, spend more money into a youth programme that is national. The word that you might not like to hear is compulsory, but I would take that risk. If I have the courage of my convictions and if I am going to be thinking in terms of good governance, a secure society, I do not think as I said we can say that this is something that has got political fall-out or mileage or anything like that. This is just something that has to be done and without any sort of apology about it, we put our young men who need discipline and training and need to be guided and I can tell you that some of those young people out there are very intelligent. I have always felt so. I think in the long term sense we will probably see coming out of this, with proper curricula, with more hands on science and so on, we would see more of those young people eventually moving into university. We are not going to tackle this imbalance in our education system, this imbalance in terms of the male achievement and all that by doing wishy-washy things, by not taking maybe, unpopular decisions we are not going to change anything. As long as we keep the status quo we are going to have to deal with that level of madness that is out there in the community. I do not think I am an alarmist. I think that I still feel that the time is now and that we have got to seize the day. Thank you.

SENATOR T. E. BARKER: Mr. President, I want first of all to add my words of support for this particular Bill. Sir, as everyone knows it is perhaps the most important debate in Parliament year after year because at this time, Sir, we are given an account of how Government intends to spend the money they collect from each and everyone of us. We would like to believe, Sir, that the Government is going to spend this money in a way that would enhance the quality of life of every last citizen of this country.

Every cent that the Government spends should be geared towards improving the quality of life for its citizens. I want to say, Sir, that this must be the yardstick by which this Bill must be judged. Does it take us as a nation any further along on the path to true democracy, on the path to self-realisation, on the path to ensuring that each and every one of our citizens can develop their potential to the fullest? If it does not do that it is not worth the paper on which it is written. In that context, Sir, we have to judge this whole exercise.

Sir, I want first of all to dwell on what I call the macro-aspects of the Estimates because, Sir, it is all right for us to say Government should be doing, A, B, C and so on but at the end of the day there are macro-economic imperatives that must be met otherwise, Sir, we would find ourselves in the position that the other party ran us in the late eighties. As much as we talk, everybody who understands economics would know that the problem that we encountered in the late nineties had to do primarily with our fiscal management.

The fiscal management of the economy landed us in trouble in the late eighties and early nineties and unless we, as a government, come to the realisation that probably the most important economic consideration is maintaining fiscal prudence, then all of our efforts would go to nothing. We must come to the realisation that we can no more buck the laws of economics than we can buck the laws of gravity. It is as clear as that. There is nothing called a free lunch. If it is not paid for by you, it is paid for by somebody else. But there is nothing called a free lunch. Hence, Sir, the philosophy that must underlie the Estimates must be one of good prudence and at the same time trying to do what I would call social engineering, that is why, Sir, the discourse by Senator Davis was welcome because she took the high road. There is no sense beating about the bush.

We have serious problems especially as they relate to the social aspect of our country's life. There are serious problems that have to be addressed. We must be spending, not so much money, because you will see in a minute it is not only a question of spending more money, it is a question of spending the money wisely. That is the key because we had a case, Sir, in the late eighties where we see Government spending got totally out of hand and we see the results – unfinished Sherbourne, an unfinished St. John's Polyclinic. That was so expensive that we do not want to go through it again, because that is spending, but that is not the sort of spending that a sensible government gets into. A government must be responsible enough to know, that we have to spend money in certain areas but at the same time, we have to, like any household, there are needs but there is only a certain amount of money. So that there are things that you would like to do, things that are almost imperative, but you do not have the money to do it so you postpone it or you do it at the expense of something else. Basically that is what budgeting is all about, setting your priorities but at the same time ensuring that you pay attention to the fundamentals.
6.00 p.m.

No doubt, Sir, some people might argue the case for a new psychiatric hospital. The question is, why not take our resources and spend it on the existing building that we have, because we have a whole set of land there. Is it not better for the Government, if there are six wards, every year to do a ward or two? So that at the end of five years, you will have a new hospital at a fraction of the cost. That is the sort of

exercise that the Government will have to get into from time to time.

Sir, getting back to the macro aspect of the whole exercise, we know, as the Leader of the Senate said that the Estimates are given at the time where there is strong economic growth. So that even though the Democratic Labour Party is proceeding or how the impression is, the economy is in good shape. We must not be lulled into a false sense of security. The economy has to be doing well, but it does not mean that economic conditions may not change to the extent that it will impact negatively on what is going on this country.

So in a real sense when the economy is going strongly it is the time for you to exercise more restraint because you cannot plan at all times for a 4% growth. So in the time of boom you should make sure that you do not put yourself in a spending pattern which could not be sustained in time of lean.

Sir, I know that Canon Springer, our Archdeacon would remember in the Bible the story of Egypt where in the midst of things, Joseph advised Pharaoh to store up because the time of famine might soon come. So that in a sense, Sir, when there is plenty in the land that is the time that you prepare yourself, mentally as well as physically because you know that the way how the business cycle goes, sooner or later a period of leanness might come.

So that we must not get carried away by the fact that the economy is performing well and go into ventures like Sherbourne and those which we cannot sustain and which will have serious impacts a couple of years down the road. So that the point must be made clear. We are in a good period so to speak, but this is the time for us to exercise prudence and caution because who knows what is in store for us? A good Government is proactive in these things and prepares the economy in such a way that the productive sectors are given the opportunity to grow and prosper so that if there is any shift in the world economy that the productive sector will be in a position to tide us over the lean years. If we are looking at that because the input growth and the government are going to go over board, well then this is not the way that we intend to run this country, because we recognise that we are still a small vulnerable economy very much susceptible to what is going on all around us.

But I want to focus this afternoon at what is going on all around us. That has to be the corner stone of our economic philosophy. I want to go now to a certain aspect, for example, revenue. We are projecting in these Estimates, that there is going to be strong revenue growth. For example, this year we expect a modest increase to \$1.54 billion that is a couple percentage increase, a 3.1 percent increase for the next fiscal year which is about equal to the sort of growth figure that we expect within the economy.

Sir, it is important that we get the revenue position clear. I want to speak about the revenue from VAT, because I heard some very wild statements ...that we are over by \$200 million. The point is this, the Value Added Tax is a special tax in that it is a tax on consumption. Therefore, Sir, if you want to be accurate in your forecast, then you have to know what the level of consumption is. But in Barbados the problem has been that neither Central Bank nor the Minister of Finance really knows the size of the Barbados economy. Nobody really has a handle on the size of the economy or the growth of activity and it is a well-known fact that up to now we have not been efficient in that we have not been able to render accurately the informal sector in Barbados.

So, Sir, I am saying that I am in a position to see all of the studies that were done on VAT and I am not boasting, but I appreciate and understand all of the intricacies involved in forecasts, because it is the way I was trained. I do not boast about it, but I understand...

Asides.

SENATOR T. E. BARKER: It is a fact. Sir, when I read all of the studies, a sense may have told me that there might be a slight underestimate. But, the professionals used certain assumptions, which they have to use and those who understand would know exactly, you assume growth in the economy and you assume this and you have no choice, but to use the data that is available to you and make certain assumptions, because it is a new tax and you have nothing to go on.

Sir, if I was an economist advising the Government, I would be irresponsible not to go for the lower estimate, for the simple reason that Government matches expenditure with revenue. Therefore, if you give me an over estimate of revenue, you will cause me to get into an expenditure pattern which I cannot sustain. If in fact your estimate was over stated, therefore on the other hand if you give me a low estimate of revenue and I get more revenue, I am now in a position to do two things: to give back and/or use the extra revenue to provide extra services for the people of the country.
6.10 p.m.

I would like to be in the latter position where I have more money than I thought I had and use it for the benefit of the people than be in a position where I got less money than I thought I would have obtained and find myself having to run to the bank, in this case the IMF or one of those and have stringent conditions imposed on me and have to send home 3 000 or 4 000 and cut people's salaries by 8% or more.

I do not want to be in that position and therefore common sense would tell me to go with the figure that the

people gave even if you suspect a little bit off and then adjust when the time comes. This is what happened. We gave back the people because for the first time in Barbados people were able to eat tax-free food. The rice is tax-free, potatoes tax-free, all the meats, chilled and/or frozen.

The point I want to make, Sir, is that Government, in my view, did the correct thing. Your professionals tell you a certain figure, you go with the figure and if you get more you adjust to suit. Note, Sir, that we did not lick out the money as other governments are wont to do. We not only gave back money to the people in the form of extra welfare benefits, we eliminated taxes on most of the food that people consume and people are getting better off in the tenancies than at any other time in the history of Barbados. There are more lights in the country and that is important for security although some people feel that the country people do not deserve any lights.

Sir, we have used the extra money for the people of Barbados. So the question of revenue becomes very important and sometimes I look at the figures and say this is an underestimate but in the full analysis you have professionals, you pay them to do work, they come up with a figure and they are right most of the time. Most of the time the fellows get it right so we can live with that.

Sir, they say it is important to remember that expenditure is not a thing that you can turn on or turn off. The bulk of Government's expenditure is in the form of wages and salaries. That is people.

The bulk of it goes in wages and wage related costs. Therefore if you talk about reducing expenditure you are talking about people and when the Democratic Labour Party was in power the only way that they could reduce expenditure was by sending home 3 000 or 4 000 people and by cutting people's salaries by 8%.

This Government does not intend to go that way. Hence, Sir, we know that it is virtually impossible in a small economy like ours to have any massive reduction in expenditure. We can save a million here or there but when it comes to a significant increase it is extremely difficult because we tend to be in an expenditure pattern from which it is not possible to extricate oneself. Hence we have to make sure that our revenue keeps up. That is why, Sir, something happened that we do not really appreciate and that is for example the import duties.

The whole world is moving towards free trade and every year the Common External Tariff rates come down. Next year it is going to move to 20% so Government has to take into account these considerations. All of these are things that are part and parcel of international trade. Import duties are going to become a thing of the past.

Government is going to have to depend more and more on VAT and on income and corporation taxes for its revenue. So we have to be very careful. Last year we had a good growth as a result of VAT producing more than we had bargained for but any year now you get a dip in the growth rate or even a slight decline in the growth rate it is going to be translated immediately into VAT revenues.

Since 1/3rd of our revenue comes from VAT we can see that it is a case of putting a lot of eggs in one basket. Any subsequent Minister of Finance has to do a delicate balancing act to make sure that he keeps his revenues going good.

On expenditure, as I said before most of Government's revenue goes in the form of wages and on page 4 of the annex to the actual Bill we see out of expenditure last year, for example, Government spent \$1.766 billion and of that over \$500 million that is about 40% or so was for personal emoluments and \$258 million was for capital expenditure which was a little bit low primarily because of the difficulty with the South Coast Sewerage Scheme. Obviously, because of difficulties with it we did not spend as much there as we should have but the point is that the bulk of the expenditure was on salaries.

What is of interest to note and this comes in with my original talk about the priorities of Government. What you will notice is that on the same page 4 our spending on things like social security and welfare is going to increase by 21% in this coming year. Spending on that sector is going to move from \$128 million to \$154 million. That says something about the priority of Government when the overall expenditure is going up by 5% spending on the social security and welfare system is going up by 20% and of more interest spending on housing and community amenities have increased from \$36 million to \$56 million. That is a fact.

So when we hear Senator Boyce and others talk about Government and its housing programmes the facts are there. Spending on housing and community amenities is going to increase by 54.9% in the coming fiscal year the year for which we are engaging in this debate.

Other community and social services we have increased by 16% and of interest is that Defence and Security is only increasing by less than 5%. So this Government is taking the revenue it is receiving from all sources and spending it on the people not on fancy highways and buildings but on the people. We are looking at the needs of people because all of us would agree that one of the greatest needs is housing. Housing needs represent the most urgent social imperative and the Government is putting its money where its mouth is to make sure the social sectors are properly looked after.

That is something that I think this Government should be commended for in spite of everything that Senator Boyce and Senator Thompson would say, the facts are there.
6.20 p.m.

This Government is spending money on the people. That is what is important. The people pay the taxes and the people, especially the vulnerable ones, especially those who are less able to look after their own needs, the Government is making sure that the funds are used in a consumptive and a progressive way to address the needs of the people. I know that people would look at the same figure and see that the spending on health has declined by 11.8%

Again they should realise that a lot of that is due to the capital works, but spending on the hospitals and so on has actually increased but it is only the capital works aspects of it because of the South Coast and other things would cause that decline of 11%, but it does not in any way represent less spending on the people's needs when it comes to the health sector. I want to stress this point. Government is planning to increase its overall spending by 5.4%, which is slightly above the expected rate of growth because the rate of growth is expected to be around 4%. Government is increasing its expenditure by about 5% so just because we are in a growth situation Government does not intend to do foolishness with the economy, but prudence must be the order of the day, and it is reflected in these estimates.

Sir, only last week I had the pleasure of representing Barbados at a conference by an international institution. Sir, one thing strikes me is that whenever I go to these conferences is that the international institutions have such a mind set that they do not tolerate what we call fiscal indiscipline. Now, we may argue here that we can do as we like here that we are independent and all of that but the fact remains that we are in a world where certain constraints are prevalent. We are still a developing country and we still need access to development funding, because as it is well known, in a couple years' time we have to look for a lot of money to finance the West Coast Sewerage system, which is a must. We still have to spend money on both harbours and so on. We are not in a position where we can say we have no need for international development finance. We are not positioned in that position and I do not think that we would ever be in that position.

Sir, I just want to say that the World Bank, for whatever reason, has said that in Barbados, our per capita income is at such a level that we are not entitled to funding from that institution, that the funding they have they are going to reserve for the poor countries. We are cut off from World Bank financing and the IADB and the Caribbean Development Bank remain our major sources of development finance. The point I want to make of all

of this is that we cannot be reckless in our economy and still expect to go out there in the world and attract development finance just like that.

We have to demonstrate that we are fiscally prudent. We have to demonstrate that we are not going to run up large deficits of the kind that ran us into trouble in the late 1980s because if that were to happen, Sir, and we find our hands in the IMF in that sort of way again, we are in for a lot of harsh conditionalities. So hence, Sir, we have got to maintain that our fiscal gap, that is, the difference between what we collect in revenue and what we spend is not out of sync.

Most people believe that 2% of GDP is about the most that we should be tolerating. Anything more than that can cause serious problems. Do not forget that when you run a fiscal deficit you have to finance it from somewhere. Wherever you finance it from there is a cost to it because you are borrowing and you have to borrow at interest rates which tend to be high, which means that a year or two down the line you find yourself having to make large interest payments, and that itself escalates the rates of increase of the overall spending. It does not profit a country to run these large fiscal deficits because as I said before in my presentation there is nothing called a free lunch. We have to pay for it some time. If you borrow you still have to pay back.

We cannot, in Barbados, ever again run up large fiscal deficits. That is a "no-no." We just cannot do it because if we decide to borrow locally we run into the problem that the Government is there running up new spending and it is taking money from the same people in the form of bank loans and as a result of that, the private sector would not have access to these funds. What happened in the late 1980s was that the Government was soaking up so much credit within the economy that the private sector was starved of funds, and was unable to carry out the sort of programme that they should be in order to make themselves even more competitive in an ever-increasing competitive world.

If you run up large deficits whether you finance them internally or externally, you are going to run into serious problems, because if you go externally, any external lender is going to be guided by the reports of the same lending international institutions. So even although we are not in an IMF programme at present, every year the IMF still writes reports on Barbados, because Barbados is a Member country of the IMF, and even though we may disagree with the reports that is beside the point. The point is that people out there would not lend you a cent unless they see the reports by the same IMF. They have to read the reports and based on what the reports say they will decide firstly, if to lend you and secondly, at what rate to lend you.

That is why we have been heartened by the news that our credit rating has improved which means that we have better access, if we so desire, to borrowing foreign loans at much better interest rates. Our credit rating has only improved because of the fact that we have paid sufficient attention to economic fundamentals such as making sure that we do not run large deficits and so on. If we were to ever let go we would start getting bad reports from the school masters, and at the same time, our credit rating might drop with the result that it would make our access to loans that much more difficult. So we cannot afford to run fiscal deficits. That is a "no-no". Sir, I should rephrase it by saying large fiscal deficits. We can tolerate 2% but as soon as you go past that you are running into trouble. We cannot afford to get into trouble again.

That is why the people of Barbados decided in 1994 that they were not going to entrust the future of this country to the Democratic Labour Party. We are proud for that decision because their mismanagement in the late 1980s caused the difficulty we had in the early 1990s. As I said, we are paying attention to our economic fundamentals.

Sir, the question of measuring deficits – for those who do not fully understand the 7% is measured on what we call the Accountant General Basis and the 2% is what we call the IFI – The International Financial Institution basis. Basically what happens, as the Minister explained earlier in his presentation, certain expenditure on the Post Office and so on are annexed so to speak but of more importance, Sir, the question of amortisation becomes important. In the IFI basis, you do not include debt repayment. You include interest payments but not the amortisation portion of it. That is the basis. The 7.4% that you see there that includes not only the annexed expenditure on the Post Office, but it also includes amortisation – which is over \$200 million per year. So the real figure is really about 2% or so as opposed to 7%. The whole idea is that loan repayments are sort of rolled over.
6.30 p.m.

Sir, the fact remains that the fiscal deficit always ends up in debt because what is in the fiscal deficit for this year then becomes debt for the following year because you finance the fiscal deficit by borrowing whether internally or externally.

Sir, I said earlier that the Government has prioritised its expenditure to make sure that everyone matters, to make sure that the benefits of the growth of the economy are not concentrated in the hands of a few but rather the benefits of the growth in the economy permeate to all levels of the society. One way that can be done is by increasing spending on those sectors which for years have been marginalised. That is why when the history of the last

three years is written, two of the most important acts that this present Administration has done which has benefitted the people in a large fundamental way is the creation of the Rural Development Commission and the Urban Renewal Commission. They are two important institutions especially at a time when we know for whatever reason our late Prime Minister Errol Barrow decided that he would abolish Local Government in order ostensibly to get rid of a man. What happened is you had the years of neglect, especially of rural Barbados.

In any country we know that unless you pay special attention to rural communities they will eventually die. Most of the development of roads has been done in the urban corridor because a lot of the spending on roads is done in terms of volume of traffic using the roads and so on. As a result, a lot of the road improvements were done in the urban sector and the result was that the tenantry roads where the poor people lived for years have been neglected. But this Government, conscious of its mandate to improve the lot of the people, made sure that the rural folks were given special attention by the establishment of the Rural Development Commission.

Sir, if you look at the spending on the Rural Development Commission, one would notice that every year the Government is putting more and more funds to supplement the work of this important Commission. This year we note that whereas in 1997/98 we started with \$4 million this year we put an extra \$2 million more. This year the spending will go up to just over \$6 million so that we are spending the money on the people. This is going to be translated into better roads because the roads in the tenantry areas are a big issue. Not only that, part of the Rural Development Commission's work is the creation of enterprises within the urban communities, and that is an important component of their work, the creation of enterprises so that people can now work in their own communities, especially the women.

I am sure that a lot of women have taken advantage of this money and are planning to develop small industries within the urban communities because, remember, one of the important mandates of the Rural Development Programme is that this Government is ensuring that it puts its money where its mouth is. We have increased the grant to the Rural Development Commission by over 50% as we moved it from \$4 million to just over \$6 million.

Sir, I am sure that the Rural Development Commission is in good hands so in spite of the carping of an Opposition which does not like to see progressive things happen, we will press on because it is very important that the people in rural Barbados who pay taxes just as much as the people in other parts of Barbados, who sometimes have to live under worse

conditions, they must benefit from any improvements in the economy. That is a moral imperative. They must benefit otherwise we would not be able to address the serious problem of urban drift that is causing a lot of social problems in our country.

Again, Sir, the Urban Development Commission which we set up last year is important because if we look in the urban communities now we notice something. The Democratic Labour Party has always talked of urban Barbados as they go stumping ground. They boast that it is their territory but they have taken the people for granted. It is true, Sir, that wherever the Dems feel they are entrenched they do nothing about it. A good example is St. Michael and a better example is St. John. Wherever they are entrenched, they like to keep the people poor because they believe in their heart of hearts that if they enlighten the people they would see the light and vote them out, so they want to keep the people in darkness. It is a fact. It is true.

Sir, we believe that we must pay special attention to the needs of urban Barbados and we set up the Urban Development Commission. Last year it had \$5 million. This year at page 136, I am sure you would be pleased to note that we have doubled the figure that the Urban Development Commission is getting. Over \$10.1 million we are giving to improve the life of the people in urban Barbados, especially the inner cities. The conditions under which our people are forced to live are shockingly bad as we approach a new millennium. This Government is taking revenue and it is putting it on the people. Urban Development Commission – \$10.1 million.
6.40 p.m.

Sir, someone may say that it is VAT money but if it is VAT money, it is money well spent. It is going back to the people. Not to the merchants, it is going back to the people. We are thinking of Pondsides, we are thinking of the plans that we have for Alleyne's Land that are on the way. You may recall that the Prime Minister stated when he renamed the Central Bank, he mentioned the fact that the Board of the Central Bank is assisting. Sir, for the record, he was opening the Tom Adams Financial Centre.

Asides.

SENATOR T. E. BARKER: He highlighted the fact that the Central Bank Board is seeing Church Village as their responsibility and are coming up with a plan to help develop that Church Village area. The Bank itself is going to help fund that venture. That is going to complement the programme of the Urban Development Commission. It will complement the work of it.

Sir, we are going to attack the question of urban poverty in this country in a fundamental way. We will

not have a Barbados where people are living in squalor and others living in opulence. It will not happen in this country. Sir, we are determined to put the people's money on the people. This is money that will be well spent. I say 'will be' because we are talking about the next financial year. This will make the way of life for our urban folk a better way of life. Squalor and depressed conditions must be a thing of the past. That is our commitment to the people who have elected us and we will not be deflected from this goal by the empty utterances of empty people.

The Urban Development Commission and the Rural Development Commission are but indicators of the sense of priority that this Government has. This is a Government that made sure that tenantry roads – Sir, that is very important, tenancies roads are very, very important and it includes places like Hoytes Village. In the work of the Ministry of Public Works, the amount of money spent on tenantry roads in 1996/97 was \$1.2 million and now it is \$9.8 million to be spent on tenantry roads in the coming fiscal year. From \$1.2 million two years ago to \$9.8 million in this coming year. That, Sir, is on page 124 under subprogramme 512, Subsidiary roads.

Sir, we can hold our heads high with pride. Yes, we have collected more money from VAT and so on but it is being spent on the people, not on grandiose schemes like Sherbourne but it is being spent on roads so that people who are buying more cars can now have proper roads to drive the cars on. Not empty like turning Nelson from one end of the street and turning it to face the other end of the street. That cannot benefit anybody. This programme can benefit people.

Sir, we are moving away from the show pieces and we are putting the money where the people want it. All the ABC Highways and all the different highways look good but a lot of people have to move away from those highways unto dirt tracks. We are working on the dirt tracks now. There are places in St. George and St. Thomas which never had roads, like Hopewell where for years the people had to go through mud and now because of the enlightened programme of this Government, those people are now benefitting from the decision they made in 1994 to cast out that lot and to put in these people. Sir, I can go on and on but time would not allow me.

I want to talk about the Scotland District programmes where for years before the Government changed in 1986 there was an important programme of stabilisation in the Scotland District area. Which, as we all know, Sir, is very susceptible to all sorts of landslides. The Archdeacon knows that because he is from that area. It was called and it is still called the bread basket of Barbados.

For years, since 1986, the last Government refused to spend money on maintaining the soils in that area. An

important programme that we started before 1986, they refused to keep up the spending and a lot of what is happening up there now is the direct result of mismanagement of the Scotland programme between 1986 and 1994. That is a fact. A lot of it is the refusal of the Government to spend money on the people.

While they are spending money, God knows how much, on the St. Joseph Hospital and on Sherbourne the people in St. Andrew and St. Joseph, their lives were made miserable because of the fact that they go sleep tonight and if they hear rain fall in the night, they cannot sleep anymore because they are not sure if they will have a house tomorrow morning or where the house is going to be. We, Sir, have resumed the work of the Scotland District both in the Ministry of Agriculture and through the Ministry of Public Works. We have increased spending on these areas. We know that we cannot undo the damage in a year or two but we are pressing on because we know that that part of Barbados is vital to the whole island. We cannot afford to have one sixth of Barbados in a condition which is unfit for human habitation because of the land slippage.

Sir, we have made sure that over the last two or so years we have resumed spending on the Scotland District in a very fundamental way. Hopefully, Sir, in a couple of years time we will be able to arrest the decline and improve the quality of life of the people in that part of Barbados.

Sir, I could go on and on because the Estimates, as you would appreciate, is a full example of a Government which is firm in its commitment to improve the quality of life of its people. That is the important thing, the people must benefit. The people must be the main beneficiaries of this.

While I am on this point, I just want to slip outside the Estimates for a little bit and remind Honourable Members that when they are talking about the quality of life, when they are talking about addressing imbalances that the work of the Access Fund and the Micro Enterprise Development and the Micro Development Agency are also important. We have been accused by the Dems of closing down the BDB without finding alternatives. When the fact remains that the Dems allowed the BDB to go into insolvency because of their stupid policies.

They are the ones that found a development bank which was in a reasonably good condition and within four to six years they had the development bank in a virtual state of bankruptcy.

Asides.

SENATOR T. E. BARKER: It was bankrupt by 1994. That is a fact.

Sir, we have made sure that the people now, especially the small ones now have access to the sort of capital they need to finance their own dreams, of which, Sir, there are many.

Sir, with those few words, I want to commend this Bill to this Honourable Chamber. The Government is well on the way to creating the Barbados that we all desire. We are going to steer the course because we are committed to enhancing the life of the people of this country. These Estimates show that we are on the road. This is about people, not about figures because people matter.

It is shown from the full example that I have given and there are lots more and I am sure that other speakers will highlight other things. But we have shown a commitment to the people and the remarkable fact is, we are so confident that the people appreciate what we are doing that we did not do what the Dems did in 1990.

6.50 p.m.

Sir, we would not want to win a few votes by cheap expenditure padding of the sort that the Dems undertook in 1990 which further put a nail in the coffin of this country. We had to rescue them. Sir, we are committed and we are going to stay the course. Thank you.

SENATOR THE HON. R. R. FARLEY: Mr. President it appears that the debate has come to an end so I will put the question. I beg to move, Sir, that this Bill be read a second time.

The question was put to the Senate and agreed to.

On the separate motions of Senator the Hon. R. R. FARLEY the Bill was read a third time and passed and cited as the Appropriation Act, 1998.

ORDER NO. 4 – INCOME TAX (AMENDMENT) BILL, 1998

SENATOR THE HON. R. R. FARLEY: Mr. President, I rise to move the second reading of this Bill, the Income Tax (Amendment) Bill, 1998. This Bill seeks to give legislative effect to the budgetary provisions of the September 1997 Budget. In particular it makes provision for reductions in respect of self insurance funds. It makes provision for businesses that invest in the Barbados Agency for Micro Enterprise Development Limited and the Enterprise Growth Fund Limited to receive a tax reduction of 120% of the amount invested. It also makes provision for businesses that contribute to the regional negotiating fund to receive a tax deduction of 150% of the amount contributed and it increases the basic personal allowance of individuals and the personal allowance of pensioners, all items which were

provided for in the September 1997 Budget and as is required the amendments to the Income Tax Act are here before us seeking the Honourable Senate's approval.

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

SENATOR J. D. E. BOYCE: Mr. President, I am very happy to be able to address this Bill tonight especially as it touches an area in which I operate and I operate all my business activities in the area of small business. Any opportunity to make a contribution in this Honourable Senate in respect of the direction in which we are going as a nation is one which I would grasp.

If I refer to section 5 of the Bill specifically now, it states: The principal Act is amended in certain ... immediately after section da da da where a company has ...

Asides.

SENATOR J. D. E. BOYCE: Let me clarify it, Mr. President.

SENATOR THE HON. G. S. H. MURRAY: Mr. President, on a point of order. I believe the Standing Orders say that the debate in this Chamber is supposed to be conducted in English but I am not quite sure what da da da is in English.

Sir, I was wondering if the Honourable Chairman could explain.

Mr. PRESIDENT: It used to be called baby talk.

SENATOR J. D. E. BOYCE: I will explain, Sir. I am very pleased to see, Sir, that the Honourable Senator has now found his tongue because I gather that a little while ago when he should have had a tongue he obviously did not have one.

Section 5, Sir, the insertion is where a company has in any income year invested an amount of money in the Barbados Agency for Micro Enterprise Limited a company incorporated under the Companies Act then in calculating the assessable income of that company for that income year there shall be deducted an amount equal to 120% of the actual amount invested up to a maximum of \$1 million and it goes on.

Sir, this Bill is going to allow those companies that participate in the development of this fund to be able to claim back 120% of their contribution in income tax.

Sir, I recall the early debate about the establishment of these enterprises and one of the reservations I had

about the extent of private sector involvement in these enterprises I still hold it. I do believe that if you have a situation where the private sector has a large influence, because by way of contribution they are also given a say in the operation of the Micro Enterprise Fund and they can bring influence therefore to bear. I recall the debate too, with the establishment of the Enterprise Growth Fund where the situation has the potential of occurring. That is why when one talks about a replacement for the Barbados Development Bank and we hear a number of comments about the direction of the Barbados Development Bank – about the eventual demise of the Barbados Development Bank.

7.00 p.m.

The thing is that the Barbados Development Bank was established with the intention of providing monies at substantially reduced interest rates for small business people to use. The bank failed because a number of the projects which the bank financed did not succeed, or were not able, or did not repay their funds. I will not be uncharitable and call any names because the public of Barbados knows exactly who the borrowers or most of the borrowers of the Barbados Development Bank were. The annual statement of the Barbados Development Bank is available for all to see. So any one of us can go to the record and read exactly what the situation is as it relates to the eventual failure of the Barbados Development Bank. There have been a number of solutions, of which this is only one, which have been put forward about addressing the loss of this bank and any replacement.

The point is that any replacement for the Barbados Development Bank must have a certain characteristic. The first characteristic is that the people of Barbados must feel confident in going to the institution and being assured of special consideration and special rates which may not be available to the private sector banking institutions on Broad Street. So unless the Enterprise Growth Fund has this characteristic it is failing as a replacement for the Barbados Development Bank and the work that the Barbados Development Bank did.

Sir, the failure of the Barbados Development Bank affected a number of people who are very close to me and one of the big areas of lending would have been to boat owners. When we had that growth in the fishing industry where our fishing boat owners moved from what is traditionally called the 'day boat', to that which is now known as the 'long line' and the 'ice boat'. I had a very good friend who I used to work with and he was an excellent example of this kind of business. We talked about the difficulties which he faced when the Barbados Development Bank eventually collapsed. So the kind of funds that we hear being quoted as lent by the Micro Enterprise Development Fund can in no way expect to deal with a project like a useful

ice boat or a long line boat. The percentage of the interest must be adequately attractive to the person who is doing the borrowing.

Sir, the characteristic too, which any of these funds should have, is one where they will allow the small businessman access to funds without the stripping of his person or his business. We heard the proud advertisement of this access fund, where they say when you cannot get money at the traditional banks like the Royal Bank of Canada or Barclays Bank you come to us. Then, of course, the reality is as we have already discovered is that when you come to us, that is the access fund, you bring along with you three sureties, *et cetera, et cetera* and the sureties have got to be prepared to guarantee in total. That is the position. That applies at the traditional banks in Bridgetown. What we are into here again is a situation where we are hearing one set of words for the public relations programme of the Barbados Labour Party and a different set of words when you begin to deal with the actual reality of fiscal prudence and fiscal management.

Of course, it is my information that Senator Barker, for instance, talks about this kind of thing quite a bit. He talks about prudent fiscal management that is what I am told and he talks about the reality of having to face the dilemma of the scrutiny of the international lending agencies like the International Monetary Fund and the World Bank and the IADB, *et cetera*.

On the one hand the access fund is advertised as a fund where we can walk into the door and say "I am Mr. John Boyce, I have an idea and I require \$10 000" and the receptionist will say, "Please, Sir, hold on while I get this cheque signed." That is the impression you get. The reality is a different story. You will go in and sit down and you go through the same scrutiny. It is no different to the bank down Broad Street. We know the interest rates being offered by these institutions render a number of projects enviable, because when you are looking at small business projects that you hear referred to all the time, like a lady in Oistins, for instance on Ashby's Land who wants to join in the economic activity of Oistins by establishing a fish fry business. She probably just requires a couple thousand dollars to get her off the push with a stove and probably some equipment to move her utensils in and out of the facility and some capital to buy her first set of fish and first set of dishes etc. Therefore the Barbados Labour Party Government recognise that that kind of lending is going to be difficult and on the one hand establish this to give the impression that they were going to put in place these easy avenues to money when the reality is and again I heard these words often quoted by Senator Barker that there is nothing called a free lunch.

7.10 p.m.

You see, Sir, we always like to point to 1994, 1993 and those are not the years of difficulty. Those were the years when if you examine the actual figures you would see that Barbados had moved into the first stage of growth after the structural adjustment period of 1990-91.

Sir, we want to see the access fund grow. We want the Barbados Labour Party to come clear to the people in respect of how you get access to the fund and not to give the impression for the sake of cheap publicity that it is any easier to secure a loan under the access fund than it would be under a normal banking system.

We move, Sir, to sub-section 2 of the same insertion and this refers to the growth fund itself. That has a limit of \$500 000. In truth and in fact as small business grows that is more in keeping with the kind of project which a sustainable small business, not in any way knocking the micro business enterprise, but a sustainable small business would be able to employ 20 or 25 persons. We are talking about a \$500 000 investment.

I am proud to be able to say that I have been part of an investment of this nature and we are working assiduously to ensure that our project also reaches sustainability. I intend to suggest to some principals that they approach this fund for some consideration so that we can test the waters so to speak of that arrangement.

I have heard no such advertisement in the case of the Enterprise Growth Fund that if you are rejected by the traditional banks you can come to them. They probably have not gone that route as yet but I know that these institutions...

The Barbados Labour Party administration has a way of trying to give the impression that the things they are doing now have never been attempted on God's earth before or anywhere. There has been established a fund at the Central Bank for umpteen years now where small businesses are referred to by the traditional banks in Bridgetown and you can get loans at concessionary rates. The name of that fund is... When I remember the name I will insert it wherever I am, Sir, and refer it back to the debate.

The point is that funding is available. The banks in Bridgetown do not like to deal with it because they say they do not get the support by the organisers of the fund. I would like to suggest that along with these things the Government of Barbados might want to look at that opportunity.

I am saying again and I recall during the public discussion on the establishment of the Enterprise Growth Fund and I recall reading subsequently that certain businesses in Barbados have already been contributing to this fund. My same thinking applies because in this case they

have directors on the board. They might not have in the case of the access fund. I was corrected when I made that point erroneously but they are having directors on this board. And my point is stronger now when I say that if you as a small businessman looking for \$500 000 in investment were to go to the Enterprise Growth Fund and that fund is not free, and we are human, so if a business place in Bridgetown contributes \$1 million to this growth fund and you apply now to borrow its own money to establish a business doing the same kind of thing in competition with this establishment, I submit, Sir, and I stand to be corrected and I would prefer to be corrected by example rather than by another position put by another Honourable Senator, I would prefer to see it happen out there first then I would be best corrected.

I believe that you will find that because of our human nature it is likely that that application could run into some measure of frustration. I would be happy to be found wrong. It is true that in the wider world in larger economies there are instances of investment by business places who encourage small businesses within the area so as to grow themselves eventually. I work in an area which is like that because I work in energy conservation and I know that the manufacturers in the United States subscribe substantially to things like the Rockefeller Fund, the International Fund for Renewable Energy Engineering. They subscribe to this kind of fund with the view that eventually their products and their services will be required by people like myself or other energy saving companies as we go about our business. So all is not lost to them.

If the Enterprise Growth Fund is going to work like that then I am happy. But Barbados is a small society and we might not necessarily enjoy that level of impartiality and free enterprise because the enterprise in Barbados is not as free as some people might think. There are still people who believe they can influence or attempt to influence what some business people can do.

7.20 p.m.

There are still some people who believe they can influence or attempt to influence what some business people can do. We see daily examples of situations which demonstrate prejudices in terms of growth of business and I like to talk about the instance of what they call Shepherd's Alley down there on Broad Street, where a couple businessmen were forced to surrender their opportunity and retreat to other areas of Bridgetown, and today we have lived to see that same area being used for small business. I say it is a serious commentary on where this country might be heading. Notwithstanding all the great achievements of the investments in hotels, in the investments in Port St. Charles and golf courses and

I include all Westmoreland, I include Royal Westmoreland in this, we have got to remember that there are people in Barbados too who are never able to enjoy those kinds of facilities.

You therefore develop two societies. We fought very hard many, many years ago hoping to eliminate that kind of activity, but we have to manage it because if we sit idly by and do nothing we will also be destroying the same people who I refer to, so I am not ignorant of the fact that we need to have investment. I am not ignorant of that fact, so I do not have to be urged by Senator Forde that we need to have that kind of investment. I enjoy that kind of investment. I want it, Sir, controlled.

As we develop business too, as the Enterprise Growth Fund is allowed to develop and contribute to the economy of this country there is another area which we have to pay close attention to, and maybe this Fund should be looking to contribute to the fight against crime, for instance. I have heard at the opening of the renaming of the Tom Adams Financial Centre, where the Prime Minister indicated that the Central Bank Board would be helping with the redevelopment of Church Village. Of course, in parenthesis, I hope that this redevelopment would still allow the people of Church Village to continue to exist in Church Village. If the redevelopment is the creation of a car park etc., that is not really the redevelopment but I hope and I believe it will be different and it will include the people of Church Village, Sir.

At that renaming we heard about the fact that the Central Bank of Barbados was going to be contributing to the development of that area. And I am saying that this Growth Fund, knowledgeable of the state of crime in this country, this Fund, or the Directors of this Fund might one day think of making a contribution to our fight against crime, Sir. I do not know if any other Senators agree with me but it is not something to be scoffed at. I spoke a while ago about businesses in the United States who manufacture energy-saving equipment, who contribute to the operation of other businesses so as to encourage them. If we have rampant crime in Barbados, we cannot have enterprise. We cannot have safe business. The users of this Fund will not be able to pay it back, Sir, and maybe, we will reach the same position as the Barbados Development Bank did where, for whatever reason, they too had a situation where the people who owed them money were not in a position to pay them and they had to move in, Sir.

So it is not as farfetched as the Leader of the Senate felt at first and he should be encouraging the Enterprise Growth Fund, upon whom he has great influence because it falls under his regime as Minister of Trade, Industry and Business Development. So he should be encouraging them to contribute to our fight against crime.

Mr. PRESIDENT: Senator Boyce, Sir, I have given you a fair amount of latitude. You have in fact mentioned the word Enterprise Growth Fund from time to time but you are straying from what is before us. It is very important that you be relevant to the matter which is before us.

SENATOR J. D. E. BOYCE: Sir, I cannot go against your ruling, Sir, but I would just for one moment, try to draw the clear connection, Sir, because we are talking about the ability of businesses who invest in the Enterprise Growth Fund to claim 120% in their tax returns of the next year. Sir, they can only have that money to pay if they make profits. It is not small businesses, Kentucky Fried Chicken, just to name one, Sir. Up to yesterday...

Mr. PRESIDENT: This is a serious Chamber and I would ask you to be serious in discussing this matter.

SENATOR J. D. E. BOYCE: Sir, I want to put this in the records that I recognise this to be a serious place. That is why I am making the contribution that I am making, Sir. I would hate to think, Sir, that I have not clearly shown the nexus between what I am saying and what the Bill before us is about, but I will be guided by you, Sir.

I want to say that as we continue to look at these kinds of opportunities, because the opportunities that we establish like these are set up mainly as we attempt to bring about a sustainable growth pattern and that we allow new people to participate in the business activity of the country, and most of us in here, Sir, would have at some time or another, be small business people. We would have grown to different stages because of organisations like this that we could go to and where we could get assistance, where we could indeed claim back certain percentages of our expenditure and get relief in the taxes that we pay, because that is what encourages businesses to participate.

I recall in 1986 the first Budget of the Democratic Labour Party then included a similar arrangement by way of businesses contributing to the development of the country and then being allowed to claim back a percentage of their income tax or their Corporation Tax in the next year, Sir. It applies to the situation where for instance, the solar industry in Barbados developed again because of this kind of initiative to allow some measure of relief in the year subsequent by way of taxation. I recall the growth in exports being encouraged where a business only had to demonstrate that the capital being injected was for the purpose of developing the export market.

Again, this allowed businesses in Barbados like Banks Breweries, like Pine Hill Dairy, just to name a few, to renew their capital, Sir and to get into export – a new

area for Barbados and we know where that is today. We know that Pine Hill Dairy for instance is a proud exporter of Barbados' goods and we know that every year almost, the Honourable Minister has the honour of making presentation after presentation in this regard. It also serves to demonstrate that this kind of activity is not new. I must admit that no one on that side has said so far that it is new, this kind of initiative and certainly, I want to record that we are in support, that is the Democratic Labour Party, is in support of this kind of initiative, Sir, and my cautions are merely "experiential", I do not know if that is an English word. We need to remember that experience is our best teacher and we need to listen to experience.

7.30 p.m.

Again, Sir, if we go to section 12E.6 and it reads:—

"Where a company has in any income year incurred any expenditure for the purposes of the Regional Negotiating Fund as a result of:

- (a) engaging persons who possess expertise; or
- (b) training persons in respect of

any trade agreement applicable to the Fund..."

Then again we get a situation where you are allowed to claim back 150%. This reminds me, Sir, of a position where some years ago, and I think I heard the Honourable Senators refer to it sometimes, the fact that Barbados has now graduated from a kind of lending which we used to experience as an under-developed country. We could expect a number of grants. We could expect expertise in different areas. I recall things like the BESO consultants from England and I believe there are myriads more.

Aside.

SENATOR J. D. E. BOYCE: I am talking about the B-E-S-O, the BESO consultants, Sir. I do not know what Senator Farley is talking about.

Mr. PRESIDENT: Senator Farley is not speaking.

SENATOR J. D. E. BOYCE: When he was introducing the Bill, Sir.

Those sources, for instance, Sir, are extremely rare and difficult to obtain now so we have to create these kinds of initiatives and programmes for ourselves. I want to again commend the relevant Ministry for this kind of activity. I hope that a number of businesses in Barbados will be able to take advantage of this kind of offer.

Sometimes, Sir, what happens to these kinds of funds too is they are set up for one particular reason and then we

can get situations where established institutions might start taking advantage of them. I hope there is some clause in there to prevent the established businesses, for instance, from taking advantage of an opportunity which is set out clearly for small business and, indeed, in the main for new business and that the kind of experts will be made available.

The other point is that you have to make available, and by available we do not only mean that they are marked as present. They are advertised and remember we are talking about small business. We are not talking about people who are necessarily subscribers to myriads of journals so the fund itself must subscribe to these kinds of journals so they could inform the directors of the young enterprise about the expertise which can be available so they could really take advantage of this kind of offering.

Remember too, Sir, that when the company is set up the growth fund itself should also seek to include in their set-up cost an amount which would adequately cover the upfront cost of the experts and training because training is essential for businesses in Barbados especially in today's world where things are being done differently.

I had the opportunity only last week to attend a Seminar on Energy in the hotel sector in the Caribbean and if one is not careful the technology goes along and leaves us because...

Mr. PRESIDENT: Senator Boyce, I hate to have to interrupt you again but what has a Seminar on Energy in the hotel sector to do with this Bill that is before us?

SENATOR J. D. E. BOYCE: Sir, it is only on training. I am talking about a Seminar on Energy Training and I only referred to it by the way. I am not making any substantial point on that.

Mr. PRESIDENT: I will not comment on that. Please proceed.

SENATOR J. D. E. BOYCE: I am not making a substantial point on energy, Sir. The point I am making is the importance of training and if we do not train and train regularly the technology can go away and leave us. So I am pleased at the inclusion of the clause which allows the business places to claim 150% again on their investment for training and engaging overseas expertise.

I just quickly refer again to the final sections 7 and 8 which refer more specifically to personal income. Of course, I cannot help but note the magic figure of \$15 000. In Barbadian terms that is a magic number so I hope the Members on that Side notice where they are now some 12 years later. I also hope they bear in mind the comments they made then about it. I am not going to join them

now in that but I hope they remember because I remember. I hope they remember some of the things they and their forefathers said in 1986.

Sir, I am happy again to be able to deal substantially with a matter of such importance in this Honourable Senate. I am sorry that some members, especially on that Side, believe that it is not a matter which should be dealt with fully.

Mr. PRESIDENT: I am not sure how you deduce that. Only Senator Farley has spoken.

SENATOR J. D. E. BOYCE: I meant even in Senator Farley's presentation. I did not find he really went into a lot of detail about the Bill. He introduced it quickly and just dashed off.

I think that sometimes we allow these very important matters to go without dealing with them. I hope I have been able to shed some light on where small business has to go, where slightly larger business, micro business and other medium sized business if you want to use that term, where they have to go and what kinds of programmes we have to put in place if these businesses are to be sustainable and if they can be like so many shining examples in this Barbados. I would not name any now, Sir, but we know how fortunate we have been here to see a number of businesses, even in my lifetime, short though it has been so far, start and grow to become empires in their own rights.

I certainly want to record that contribution and support the measure before us. I am grateful to you, Sir.
7.40 p.m.

SENATOR T. E. BARKER: Sir I will not be long, I just want to make a couple of points because this is a very important Bill.

It is a bill to amend the Income Tax Act. There are four ways in which the Act is amended.

1. To make provision for deduction in respect of self-insurance funds;
2. to make provision for businesses that invest in Barbados Agency for Micro Development Ltd. and the Enterprise Growth Fund Ltd. to receive a tax deduction of 120 per cent of the amount invested;
3. To make provision for business that contribute to the Regional Negotiating Fund to receive a tax deduction of 150 per cent of the amount contributed; and

4. To increase the basis personal allowance of individuals and personal allowance for pensioners.

Each of these four items are of extreme importance. This Bill, in my view, is another example of the way in which this Barbados Labour Party Government is directing the affairs of this country in order to achieve social and economic goals.

Asides.

SENATOR T. E. BARKER: That is very very important. I want to especially focus on No. 2 because this relates to the financing of small businesses and other businesses for that matter subsequent to the demise of the Barbados Development Bank. I want to restate something which I said in an earlier debate that by 1994 the Barbados Development Bank was virtually insolvent. That is a matter of historical record. Where the assets had been depleted to the extent that the liabilities had exceeded the assets and the bank was technically insolvent and it could not continue in that way. It was not lending and it was not lending for a long time.

Sir, when the Honourable Senator Boyce is talking about lending to small businesses as it relates to the Barbados Development Bank, he should be made aware of certain facts. I am going to refer to the Economic and Financial Statistics as put out by the Central Bank of Barbados from January of this year. It shows some interesting things as it relates to small businesses in Barbados. These are the facts. No more than 15% of the funds of the Barbados Development Bank were ever specifically lent to small businesses.

I know that the Honourable Member does not intend to learn but I feel it is my duty to put forward these important points. The fact remains that the Barbados Development Bank, their lending to small businesses was never more than about 15% at the most. That is a fact and a matter of record. Small manufacturing and small industries were never any significant large portion of the Barbados Development Bank lending.

Secondly, under our tenure between 1976 and 1986, we made sure that the amount of money that was lent to these businesses increased in every way. For example, small manufacturing in 1976 only received \$115 000, that was the amount outstanding. By 1986 we had raised to \$1.5 million. That is a fact and a matter of historical record. Small industries in 1976 received \$160 000 in total loans and we increased it to \$13 million in 1985. Our record in providing funds for small businesses is outstanding. We significantly increased the amount of money through our policies because we made sure that the Barbados Development Bank lent a greater proportion

of their funds to small businesses whether in the manufacturing or in small industries.

When the Democratic Labour Party came into power, they reversed the policy so that by 1994 the amount of loan outstanding to small manufacturers had declined from \$1.5 million to just about \$700 000. It had declined by half. The loans to small industries declined from \$13 million to \$6 million. That is a matter of record.

When I hear the Dems talking about their love for small businesses, it is not reflected in the provision of funds for small businesses. The Barbados Development Bank was not servicing the small business sector, it is as clear as that. All this weeping and wailing about the Barbados Development Bank belies the fact that they decimated the bank and the bank was not lending to the said category that they now recognise is in need of special assistance. They are not in any position to castigate anybody about lending to small businesses.

Look what we did since 1994, Sir. We made sure that the Small Business Association is given proper funding to allow them to function more efficiently. We gave them money to buy office space and office accommodation and so on because we recognise that the SBA needed to be put in a good position so that it can cater to the needs of the people and hence improve the lot of the small business sector. That is what we did. Furthermore, we put money aside for the Venture Capital Fund for small businesses. We put our money where our mouth was. We put the \$2 million there for small business lending.

When I hear them get up and talking about we are neglecting small business, they are ignoring the reality. They are ignoring the fact that this Government unlike the other one which did not make sure that there were funds for small businesses, we made sure that small businesses now have access to funds and we have gone a step further by creating the two institutions, the Micro Enterprise Development Ltd. and Enterprise Growth Fund in order to make sure that any enterprising young man or woman out there with a good idea can have access to funds.

Sir, do not forget that we have a similar provision under the Rural Development Commission and the Urban Renewal Commission so that all around we are opening avenues for financing of small businesses and that is a matter of fact. We are not going to tolerate any stupid talk that is not buttressed by fact about our dealing with small businesses. The record speaks for itself and we are proud of our record.

Sir, a word of caution, we are lending money to small businesses, we are not giving money to small businesses. There is a big difference. There is a very big difference because any activity must show that there is a reasonably

good chance of success. Nobody would finance a venture which is not feasible because you are not helping the person, you are not helping the society and you are not helping anybody. You are just throwing away money. If the requirement is that some measure of feasibility be done, that is good business sense. Any project that is worth financing must show by virtue of feasibility that it can produce the profits that will help it to repay the loan and at the same time provide some income for the entrepreneur.

As I have said, this is not free lunch. If a venture comes and the people require certain requirements, that is as it should be because the venture must have some measure of success, some probability of success has to be attached to the particular venture because we cannot afford to be giving away money. It does not make sense. It has to be run with a certain amount of business sense.

The difference is that the commercial bank would obviously require a lot more and they would require a higher probability of success than this enterprise would but at the same time we do not want to give the impression that you just wake up with an idea whether it is bankable or not and expect somebody to come and fund your idea. It cannot work so. The world does not work like that.

It must pass some sort of feasibility test in order to qualify for assistance. This is a very progressive piece of legislation and the Prime Minister has found a good way of financing it because note, Sir, these funds are going to be financed by people investing and the State is saying, you invested in the fund, we are going to give you a special consideration for investing in the fund. We are going to allow you to take that money that you are investing in the fund and multiply it by a factor of 1.2, 120% and that can be written off against your income tax. In other words the State then is giving you an incentive to encourage you to invest in the fund. Sir, I want to appeal to people who invest money. Sir, I know I should not be calling names but I would still call Senator Bernstein's name. Invest some money in the fund.

7.50 p.m.

Sir, I want to appeal to people to see this as a way of investing in the future of Barbados because we know, Sir, there are people out there with good ideas. All they need is a little bit of help and guidance. Sir, I hope and I know, Sir, that this agency would not be just giving out money like that but they would be giving technical and other kinds of advice to the budding businessman to help him turn what is just an idea into reality. At times we need a little more than the dollar. We need a little bit of do it like this, do it that way, or something like that.

Sir, I hope the public develops a trust in these institutions so that they can better take advantage of all the help that these institutions can give.

Sir, with these few comments I want to commend this Bill to the Honourable Chamber and ask that it be given positive consideration.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, it was not my intention to speak but I find that Senator Boyce in trying to maintain his record of speaking for an hour of nonsense made a lot of misleading statements in this Chamber this evening.

The Barbados Agency for Micro Enterprise Development Limited and the... Fund Limited, as I understand it, are two organisations which have been created to replace the Barbados Development Bank and I would like to throw out some statements and some caution.

Now, Senator Boyce failed to tell this Chamber and I do not even think he knows that one of the major shortfalls of the Barbados Development Bank is that it had too many officers and more money was spent in salaries than were given out in loans. Every sum that was put into the Barbados Development Bank, at least 60% was used for maintenance of staff and the other 40% was what was lent.

The other point was, there was no integrity in that organisation. You could not put a project in there before it was not sold within a week. S O L D. I have evidence to prove the officers had no integrity whatsoever. Senator Boyce would not tell you so but those who know the bank would tell you what went on in that bank.

Mr. PRESIDENT: Senator Bolden I must stop you. I think that if you are dealing with the conduct of character or the character of persons who were acting in an official capacity the procedure is somewhat special. This you know as an experienced parliamentarian so I would ask you to bear that in mind.

HIS HONOUR SENATOR C. L. BOLDEN: I understand, Mr. President, that is why I did not call anybody's name because if I were going to call names I would have given you notice that I am going to call names.

Mr. PRESIDENT: You identified a class of person.

HIS HONOUR SENATOR C. L. BOLDEN: Mr. President, the other point is, they created all kinds of strictures to prevent projects going through. You had to put in a project. You were told, I want this. You had to pay an accountant to get it. When it came back you had to get other things. By the time you got a loan, at least 30% of the loan was dissipated in creating reports for them. By the time you got what was left your business could not survive. I hope that the officers in charge of these two funds are not allowed to create that sort of procedure and those sorts of frustration efforts for the people for whom these funds are devised.

I have said before I would hope that the Government bond all of those officers down there, it is time that we arrive in Barbados to bonding certain people because in every one of these institutions people go in there with ideas and projects and you must feel safe and sure that you can go to these institutions, outline your project to them and it is confidential between you and the officer. It is either accepted or rejected and it does not leave the institution.

I think it is about time that this thing happens because unless we do that these two funds will run into the same problem as the BDB. You cannot have a fund which you go to borrow money on it and by the time you leave there the details of your project are given to somebody else so you start off immediately with competition so your returns cannot be what was expected or what you had worked out.

I can say this. I was Minister of Transport and Works and Don Blackman had a relative who put a plan in the Barbados Development Bank which came to the Ministry of Transport and Works a complete project for hired cars and taxis etc. While that was on my desk the identical project arrived the next week from an officer of the Barbados Development Bank. That is why I am saying that I hope the officers in these two funds do not get into the same shenanigans as happened with the Barbados Development Bank.

Now Senator Boyce said something about you hear the advertisement and it is a public relations word from the BLP. Senator Boyce must understand they are not public relations words of the Barbados Labour Party. These are government institutions and if the Government changes tomorrow the funds remain in existence. It is the Barbados Labour Party Government that has developed these institutions and they will be here until some subsequent Government decides to liquidate them. So he should not talk what he is talking.

Now he goes on to talk about projects and funds at Central Bank. Now that is another thing that he does not even understand the working of what is happening. There is a fund at the Central Bank called the Small Business Loan Guarantee Scheme. You can call Central Bank and you present your project to Central Bank. They will tell you, yes we approve this project, we will fund it but you have to go to a bank. When you go to the bank it is for the bank to send the project together with the amount they have lent you to the Central Bank. Central Bank pays the bank only 2% for administering the Scheme and the banks are not forwarding these projects to Central Bank because they say it is not worthwhile to them to forward a project to Central Bank. They lend you the money, charge the interest

rate and that is where it lies. Central Bank has no power, whatsoever, to tell a bank "send that scheme to me" and that is what the Government should be looking at. Because the Central Bank says, they are not a lending authority to individual projects of this nature. That is what the Government should be looking at and the Government should devise a method whereby the Central can lend you the money if they approve of the project at the interest rate which is applicable to them. So Senator Boyce must not mislead this Chamber when he has not the facts and the things he said, he should have said that during the previous matter which was before the House.

Mr. President, I rise to support this particular Bill.
8.00 p.m.

SENATOR Mrs. P. E. RICKINSON: Mr. President, I rise to support this Bill but I would like to raise a few questions judging on the debate that I have been listening to, about the Micro Enterprise Development Fund and the Enterprise Growth Fund. As I understand it, this agency is replacing the Barbados Development Bank which this Chamber was told became virtually insolvent and could not lend funds since 1994. My question is, what guarantee and what mechanisms are going to be put in place to make sure that the same thing does not happen to this new agency that has been set up.

Mr. President, I am asking these because the debate has not pointed this out to me and I do not have inside information about it. What I would like to know as well, Mr. President, is the definition of a small business. Must you be a member of the Small Business Association in order to be eligible for these funds? Because that was what was coming through to me that the Small Business Association is getting help *et cetera, et cetera, et cetera* and it is confusing the whole issue.

Mr. President, those were just questions that I wanted to raise. The other part of the Bill that I really understand is Part D "to increase the basic personal allowance of individuals and the personal pension allowance for pensioners." That is clear to me. While I support this increase in pensions, I really would have loved to see a larger increase to pensioners at least \$3 000 or \$4 000 a month tax free.

Mr. President, given the amount and the surplus of VAT that has been collected I do not think that it would have caused a strain on the economy. I am speaking as a pensioner myself, as well as on behalf of all other pensioners. Mr. President, we are finding it very difficult to exist, because there is VAT on the telephone, VAT on electricity, if you have a safe deposit box, there is VAT on that. Whatever you go to do, you cannot get away from the VAT. VAT is everywhere. I did not realise it was so pervasive. It is a tax that I support because it broadens the tax base and those who did not pay taxes before can pay taxes now. But we, poor pensioners, we are really, really feeling the pinch with this VAT. I am really making a plea to increase the pension of us poor pensioners at least to \$36 000 yearly tax free.

Mr. President, I am going to explain again clearly why I am asking for this to be done, because some of us have this to help support the grandchildren, especially if we have people in nursing school. The stipend is not enough and if you are a nursing assistant, you get nothing. So therefore, we really need help. We really need increases so that we can help these trainee nurses who have not been given anything whatsoever.

The others in the other training programmes have been given increased stipends from \$3 500 to \$8 500. That is more than the student nurses. So we really need our pension increased so that we can assist these persons. Some of them are even having to give voluntary work. Other than that, I would not go any further. I think I have made the point very clearly why we would like to see the pension increased and I will support this Bill as it is.

On the separate motions of SENATOR THE HON. R. R. FARLEY the Bill was read a second and third time and passed and cited as the Income Tax (Amendment) Act, 1998.

ADJOURNMENT

SENATOR THE HON. R. R. FARLEY: Mr. President, I beg to move that the Senate do now adjourn *sine die*.

The question that the Senate do now adjourn sine die was put to the Senate and agreed to and Mr. PRESIDENT adjourned the Senate accordingly.
8.10 p.m.

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