
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

THE SENATE

Wednesday, December 17, 2003

The Senate met in the Senate Chamber, Parliament

Buildings, on Wednesday, December 17, 2003 at 11.10 a.m.

PRESENT

His Honour Senator Sir FRED GOLLOP, K.A., J.P.
(President)

Her Honour Senator Dame Patricia SYMMONDS,
D.B.E., G.C.M., B.A.(Hons.), P.G.C.E., J.P.
(Deputy President)

Senator the Hon. E. R. GRIFFITH, G.C.M., J.P.,
(Minister of Agriculture and Rural Development) (Leader
of the Senate)

Senator the Hon. Miss L. V. EASTMOND, LL.B.
(Hons.), LL.M. (Minister of Commerce, Consumer Affairs
and Business Development)

Senator T. E. BARKER, B.A.(Hons.), M.A.(Econ.)
(Parliamentary Secretary, Ministry of Finance and
Economic Affairs)

Senator the Hon. J.E.D. WILLIAMS, B.Sc. (Hons.),
M.Sc., M.B.A., J.P.(Minister of State Prime Minister's
Office and Ministry of the Civil Service)

Senator G.P.B. NICHOLLS, B.Sc.(Hons.)LL.B.
(Hons.)

Senator Miss P. E. PARRIS, J.P.

Senator Ms. S. C. HUSBANDS, B.A. (Hons.)

Senator Dr. F. L. CHANDLER, Ph.D., B.Sc.(Hons.)

Senator Sir Roy TROTMAN, K.A., M.A.

Senator the Hon. Mrs. V. E. NEWTON, S.C.M.,
B.A.(Spec. Hons.), M.A., LL.B.(Hons.)(U.W.I.),F.L.A.
(Gt.Brit.), L.E.C.

Senator B.R. COLLYMORE, C.M.G.

Senator the Very Reverend H. E. CRICHLow,
G.C.M., B.A.(Hons.)(Dunelm)

Senator I. St.C. LINTON

Senator I.G.P. GOODING-EDGHILL

Senator Dr. D.S. LOWE, Ph.D., Dip. Theology, B.A.
M.Ed, Ed.D

Senator F.J. STUART, B.A., LL.M.

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: The Senate is in session.

MESSAGES FROM HIS HONOUR THE PRESIDENT

Mr. PRESIDENT: I have received apologies for the
absence of Senator Grant, Senator Sir John Goddard and
Senator Fields.

House 8, sequence 1, 11:20:15

Wednesday, December 17, 2003

PAPERS

SENATOR THE HON. E. R. GRIFFITH: I am
commanded to lay the following document:

1. Civil Establishment (General) (Amendment)
Order, 2003.
2. Civil Establishment (Teachers) (Amendment)
Order, 2003.
3. Civil Establishment (Part-time Officers) Order,
2003.
4. Judges (Remunerations and Pensions) (Conditions
of Service Allowances) (Amendment)
Regulations, 2003.
5. Ombudsman (Salary) Order, 2003.
6. Parliament (Administration) (Salaries) Order,
2003.
7. Judges (Salaries) Order, 2003.

8. Senate and House of Assembly (Remuneration and Allowances of Members) Order, 2003
9. Value Added Tax (Refund) (New Way Auto Repair) Order, 2003.
10. Value Added Tax (Refund) (J. C. Services Inc.) Order, 2003.
11. Special Development Areas (ZR Inc.) Notice, 2003.
12. Duty Taxes and Other Payments (Exemption) (Sugar Hill Limited) Order, 2003.
13. Duty Taxes and Other Payment (Exemption) (W. F. Baird & Associates Coastal Engineers Limited) Order, 2003.
14. Report of the Social Investment Fund for the quarter ended September 30, 2003.
15. Annual Reports of the Barbados Broadcasting Authority for the periods October 1999 to September 2000, October 2000 to September 2001 and October 2001 to September 2002.
16. Audited Report and Audited Financial Statements of the Grantley Adams International Airport Inc. for the period of Incorporation on October 13, 1998 to June 30, 2002 and the year ended June 30, 2003.

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. E. R. GRIFFITH: Mr. President, I beg to move that Standing Order 45(2) be suspended for the remainder of this Sitting.

I also beg to move that Standing Order 22(1) be suspended on the basis that Senators were informed that if the matters relating to the salaries settlement were passed in the Other Place that they would be expected to deal with those matters today. On that basis, I beg to move that Standing Order 22(1) be suspended so that we can proceed with that discussion.

The questions were put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. E. R. GRIFFITH: Mr. President, I beg to give notice of the Ministers and Parliamentary Secretaries (Remuneration and Allowance) Bill, 2003.

The question was put and agreed to.

FIRST READING OF BILLS

SENATOR THE HON. E. R. GRIFFITH: I beg to move that the St. John's Ambulance Association of Barbados (Incorporation) Bill be read a first time.

The questions were put to the Senate and agreed to.
PUBLIC BUSINESS

ORDER NO. 1 – ST. JOHN AMBULANCE ASSOCIATION – OF BARBADOS (INCORPORATION) BILL, 2003

SENATOR THE HON. E. R. GRIFFITH: Mr. President, the St. John Ambulance Brigade as all of us know is a voluntary organisation which was established in Barbados in 1939.

Its objectives and purposes are to instruct members of the public in the principle and practice of first aid, nursing and allied subjects and to provide training for men, women and young persons to undertake on a voluntary basis, either as individuals or as organised groups, first aid, nursing and allied activities in the streets, public places, hospitals, homes, places of work or elsewhere as occasion may require for the relief of transportation, comfort or welfare of those in need and to provide trained personnel to give assistance to government departments in times of emergencies.

This organisation has played a very important role in the life of our country and continues to do so. In fact, many of the first-aiders who are now employed by the various organisations were trained by this organisation. As all Senators may know, the personnel who are trained by the Hospitality Institute have to begin their training as first-aiders with assistance from this organisation. Many of the students who are trained in the schools in first aid form the nucleus of the Cadet Division. There are many citizens across Barbados who have been trained in first aid so as to equip them to deal with emergencies in their homes.

The Bill before us seeks to incorporate the St. John Ambulance of Barbados as the St. John Ambulance Association of Barbados. The Bill has 10 sections including a short title and the interpretation.

Section four of the Bill sets out the objects of the Association which are:

“(a) to encourage and promote all works of humanity and charity for the relief of persons in sickness, distress, suffering or danger without any distinction of race, class, colour or creed;

(b) to render aid to the sick or wounded in time of war or peace and to promote permanent organisations in time of peace so that aid may immediately be available in

time of emergency and such aid shall include the provision of technical reserves for the medical services of the Government and armed forces of Barbados;

©) to promote, encourage and co-ordinate relationships between the Association and similar organisations in other countries under the name of St. John, the Red Cross Society and other similar voluntary or statutory organisations; and

(d) to do anything necessary or incidental to the carrying out of the objects specified in paragraphs (a) to (c).

Clause five deals with the management of the Association. Clause six deals with the register of its members. Clause 7 deals with the commencement of the Act which says that all assets and liabilities of the St. John Ambulance shall be vested in the Association.

This matter before us, Mr. President, is not a contentious one and I therefore have great pleasure in moving that it be read a second time.

SENATOR F. J. STUART: Mr. President, the Honourable Minister is quite correct in saying that there is nothing contentious about this Bill. I am given to understand that the incorporation of the St. John Ambulance of Barbados by this Bill resulted from a request made to Government about six years ago for incorporation by statute. It is noteworthy that the St. John Ambulance is being incorporated by statute because only recently in this Senate the issue of incorporation by statute arose when we discussed the Barbados Port Authority Bill. The point was made then, as it is made now, that it is possible to incorporate by statute and by reference of Section 21 of the Interpretation Act as is indicated at Section 3 of this Bill. The only power withheld from a corporate entity so incorporated is the power to issue shares, but they have all the other powers which entities so incorporated are able to exercise, their own seal, to sue and be sued and that type of thing.

Senate 8 Sequence 2

11.30 a.m.

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SENATOR F. J. STUART: Mr. President, over and above that, the St. John's Ambulance has rendered inestimable service to Barbados. It has a long history, dating back approximately one thousand years. It has its genesis in Jerusalem and during the period around the Crusade, its function as far back then was to give care to the sick, the wounded in war and to assist with first aid, et cetera.

In the United Kingdom, it flourished up to the reign of Henry VIII, and I believe it was during his quarrel with Rome over his right to divorce his wife Catherine of Aragon, that he confiscated all of the property that was owned by the St. John's Ambulance. That property went into abeyance for a while until 1877, when it came back into existence in England as the St. John's Ambulance Association.

Queen Victoria, of course, was so impressed with its work in 1888, that she gave it a royal blessing and made the Order of St. John a Royal Order of Chivalry. The Association in Barbados is no different from the objects historically of the St. John's Ambulance and its Patron Saint is John the Baptist.

Mr. Speaker, we, in Barbados, are proud of its stewardship, its record of first aid teaching, ministering to the sick and wounded, and promoting works of humanity, et cetera. Therefore, the Opposition could find no basis upon which to oppose the Bill. Sir, of course, we would express the wish that the St. John's Ambulance would continue to flourish with undiminished vigour in Barbados and would continue the very good work for which it is so well known.

Mr. President, I am obliged to you.

HER HONOUR SENATOR DAME PATRICIA SYMMONDS: Mr. President, I stand here with a certain amount of nostalgia as one who, as a school girl, joined the St. John's Ambulance in Barbados and as one who is also a member of the Council of St. John, which is its governing body. Therefore, I am pleased to elaborate more on what both our Leader of the Senate and Senator Stuart have said. I am pleased to hear that there are many persons who know something about its founding. The Honourable Senator is right in saying that the Association in England started in 1877 and then the Brigade 10 years later, starting in 1887.

As Senator Griffith has stated, it began in 1939. The Association was formed when the Second World War started. It began to train persons in first aid and then in 1942, by which time a large number of persons were trained, the Barbados District of St. John's Ambulance was formed. They later decided not to have two separate bodies and some time in the 1970s, the two bodies were amalgamated and became known as the St. John's Ambulance.

Mr. President, at the beginning, there was a Division in almost every parish; 4 in St. Michael, 2 in St. James, 2 in Christ Church. The vision was comprised specifically for Girl Guides. Mrs. Maureen DeBoer was Superintendent in charge. It was at that time that I became associated with many Girl Guides in that Division.

Sir, I wish to mention a number of persons who have played an important role. I recall persons such as Sheila Pilgrim; Daphne Joseph-Hackett, who was associated with drama but also the St. John's Ambulance; Ina Pickerin; Phillis Odle (nee Bowen); and Joyce Bowen. There were others such as Jenny Williams; Sybil Harper; and Dorothy Kirton, who were Lady District Superintendents.

Sir, there was great enthusiasm during the War years and in those early days there were several choir service divisions. There was one at Worthing and one at Seawell (now Grantley Adams International Airport.) There were also several police divisions. There was a rule at that time that every member of the Police Force had to learn first aid and every year take the St. John's Ambulance examinations. Nowadays, I believe they take it every three years after the certificate has expired.

Mr. Speaker, as Senator Griffith has mentioned, the members could be seen at every public function. I particularly recall the Annual Exhibition at Queen's Park, sporting events, et cetera, where they were very visible.

Sir, today they concentrate more on training than on first aid because one of the objectives is to have a first-aider in every home who is capable of responding to accidents or sudden illnesses.

Sir, I would like to emphasise here that many lives have been saved because people have been able to use the knowledge that has been gained through the St. John's Ambulance. Sir, I have never been one to have blown my own trumpet and, therefore, I am not going to recall an incident where my knowledge came in useful when I was about 16 years old and a baby had a fit.

Mr. President, about 400 persons are trained every year and every police and fire service recruit has to do first aid. I have observed that Senator Griffith has already mentioned the Barbados Hospitality Institute, where every year a fresh intake has to take first aid. It is, I think, noteworthy that church groups such as the St. Michael's Cathedral, the St. Leonard's Church,

St. John's Parish Church, and the Sons of God Apostolic Church, have also done first aid.

Sir, I must single out Mrs. Eugene Daniel, who has recently retired, and who was the first female commander in Barbados. She still helps with training and does an excellent job.

Mr. President, the St. John's Ambulance is one of the oldest organisations in the world and the oldest Christian charitable organisation, as it is over 900 years old. Sir, one of the foundations of the Order of St. John, and this is very important, is the Eye Hospital in Jerusalem,

which has done very much to alleviate eye problems and to restore sight.

Senate No.8(3)

11.40 a.m.

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HER HONOUR SENATOR DAME PATRICIA SYMMONDS: Regrettably, like many organisations in Barbados, membership has decreased but there is a vibrant cadet division and this gives hope. St. John Ambulance is initiating a membership drive and I hope that many young people as well as mature ones would become involved in the work of this most prestigious organisation which serves communities throughout the Commonwealth and beyond. With those few remarks I want to say that I support the Resolution wholeheartedly.

Mr. President, I am much obliged to you.

SENATOR THE HON. E.R. GRIFFITH: Mr. President, I beg to move that this Bill be read a second time.

The question was put and agreed to.

On the motion of SENATOR THE HON. E.R. GRIFFITH, the SENATE resolved itself into Committee on the Bill, SENATOR THE HON. DAME PATRICIA SYMMONDS in the Chair.

COMMITTEE

MADAM CHAIRMAN: The Senate is in Committee.

Clauses 1 - 5 inclusive were called and passed.

Clauses 6 - 10 inclusive were called and passed.

The Schedule became the Schedule to the Bill.

On the motion of SENATOR THE HON. E.R. GRIFFITH, Madam CHAIRMAN reported the passing of one Bill in Committee and Mr. PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. E.R. GRIFFITH, the Bill was read a third time, passed and cited as the St. John Ambulance Association of Barbados Incorporation Act, 2003.

ORDER NO. 2 – RESOLUTION TO APPROVE THE
COMPULSORY ACQUISITION – BY THE CROWN OF
THE PARCEL OF LAND SITUATE – AT PRICE
ROAD, ST. LAWRENCE, CHRIST CHURCH –
FOR THE PURPOSE OF ROAD
IMPROVEMENT.

SENATOR Dr. D.S. LOWE: Mr. President, this Resolution before us is seeking to acquire a small parcel of land totaling 53.5 square metres at Price Road, St. Lawrence, Christ Church, the property of Mr. St. Clair Howell. This land is being acquired to improve the roads around that area. This matter has been pending for a while and Government is now seeking to bring it to a conclusion.

Mr. President, in my view, this matter should not detain us unnecessarily long and I beg to move that this Resolution do now pass.

SENATOR Dr. D.S. LOWE: Mr. President, the Leader of Government Business is extremely courteous in advising that there is nothing contentious that should prolong discussion on this particular item. We concur with that view although we believe it is necessary to make a brief contribution with regard to our observations on this side.

We believe that the continued efforts to improve roads conditions in the country are important especially in areas like St. Lawrence where it is necessary to continue to ease the movement of patrons and traffic in that area. We believe that once Government has secured the land and the road improvement process begins that it is necessary to keep in mind that those persons affected temporarily by the construction and works be given full consideration in the event that this necessary interruption poses any stress on how business is done in that particular area.

We know of others in the same location who have been adversely affected by recent construction and there has been some contention as to whether they were given the fullest consideration by the State in terms of remuneration for any losses as a result of the improvement.

Mr. President, we understand that there will always be a price to be paid for advancement and improvement but we wish that the State would remain sensitive as it executes its works so that persons affected by the necessary disruptions would be given full consideration in that regard.

S8/ Sequence 4

11.50 a.m.

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SENATOR Dr. D.S. LOWE: We also believe that there has been some tardiness on the part of the State in paying for lands that it compulsory acquired. We want to sound forth a caution that the State ensure that those persons who must surrender their lands in the name of improvement in this country are paid expeditiously instead of that prolonged period waiting for compensation for the lands that they have surrendered to the State.

I made those brief interventions to ensure that we on this side would want to support the improvement of those persons whose lives and businesses may be disrupted and we hope that the highest consideration and level of sensitivity will be given to them.

I thank you, Sir.

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

The question was put to the Senate and agreed to.

ORDER NO. 3 – RESOLUTION TO AMEND THE CIVIL
ESTABLISHMENT (GENERAL) ORDER, 2003

SENATOR THE HON. E. R. GRIFFITH: Mr. Speaker, the matter before us deals with the issue of salaries to public workers. There is usually much discussion of an emotional nature when it comes to the question of money and this particular case is no exception. The problem with such a discussion is that there is usually a narrow focus because of personal interest, and that is understandable.

However, when dealing with issues such as these the Government has to be well trained to be reasonable to its employees and to take into account the national interest as well. The Government has to look at the broader picture and cannot make a decision purely on a personal interest.

Mr. President, I look at the current Revenue Budget for the year 2003/2004 and with the assistance of my calculator I took the current wages bill as a percentage of the revenue and I notice that it is approximately 42 per cent of that revenue. When I added to that the national insurance and other related payments, I got in excess of 42 per cent. I went further and did another calculation, remembering that Government has to meet the pension's bill of approximately \$129 million annually, and I added that. I got the staggering figure of 52 per cent.

Mr. President, without volunteering any advice to any companies across Barbados, any time that you have an organisation which has an expensive profile where more than half of its revenue is going in wages, it is in the danger zone. Government, while trying to be fair and just with its employees, has to watch the manner in which the

expenditure is moving and the extent to which the current revenue is taken up in wages.

Sir, I had the misfortune, if I can put it that way, of being in the Ministry of Finance for 27 years and having to live through two adjustments programmes with the International Monetary Fund, 1982 and 1991/1992. I would tell you that my brain still recalls it vividly. Unlike some of the stories that I see in the newspapers, I wonder where they came from.

In 1982 we had a dream programme. I say a dream programme because when I contrast that with the 1992 programme it was, indeed, a dream programme. At the end of that programme in 1982 I was invited, at the expense of the Commonwealth Secretariat, to travel to London to take part in a seminar with African and Asian countries to explain how it was that Barbados was one of the first and few countries in the world that ever entered a fund programme and got out at the prescribed and agreed time, unscathed. Unfortunately, the 1992 was not such a programme so I could not have been invited anywhere to explain how we got out unscathed because we did not get out unscathed. I will not go into the history of it now because all of us are familiar with it. All I would say is that I would never like to see Barbados enter that kind of arena again.

I am sure that this is the consideration that the Government has in mind when it approaches these matters. Barbados has a fixed exchange rate and when it was put to the greatest test in 1992 all of us were unanimous in the view that it should be maintained. There were pressures from all of the international organisations and some of our technocrats to devalue the dollar as a means of making the adjustment that was necessary because our expenditure profile had got out of hand.

Sir, I was convinced that everyone in the country, with a few exceptions, supported the approach that we should maintain a fixed exchange rate and it has worked well for us over the years. The institutions with which I had to interact have always tried to move away from that and to follow some of our CARICOM countries and other developing countries across the world and make necessary adjustments by way of a devaluation. We have always said no to a devaluation and have explained to them the benefits that have accrued to us as a small developing country from maintaining a fixed exchange rate.

However, we have always recognised that to maintain that fixed exchange rate requires a certain degree of fiscal discipline, which is not the case if you go the other route of a devaluation. Therefore, that means that if we want to continue to maintain that exchange rate and provide the necessary stability that allows our country to develop, going the route of a devaluation would result in

claims being made by everyone in order to cope with the adjustment because they have lost purchasing power and countries that continue to make adjustments end up being caught in that spiral. There is a large degree of uncertainty and instability in the system by going that route.

Mr. President, we chose a path of certainty and stability by maintaining a fixed rate but that has a cost and the cost is that we must always be disciplined in our fiscal affairs. After eight successive years of growth the Barbados economy faltered in 2001 and continued into 2002. In spite of that, Government, ever mindful of its obligation to its employees, still agreed to a wage increase in a situation where all the evidence would have suggested otherwise.

Sir, fortunately, the economy is on the rise again.

S8:Sequence 5

12.00 noon

Wednesday, December 17, 2003

12.00 a.m.

SENATOR THE HON. E.R. GRIFFITH: But as the Minister of Finance indicated not so long ago in his Economic Statement, the strategy which we as a Government now have to pursue, is one which would allow us to gradually reduce our external debt, and at the same time, reduce our fiscal deficit to bring it back to a more manageable figure. We have always taken the view, considering all the components of the Barbados economy, that a manageable and realistic deficit is in the region of 2.5 per cent.

There are occasions though, Mr. President, when all of the situations around us would require, not even a deficit of 2.5 per cent, but a surplus. When the economy faltered in 2001, the strategy which the Government adopted was to increase spending to provide a stimulus to an economy which had faltered largely because of the external occurrences, which affected our tourism and international business activities.

The Government increased the spending and as a result of that, ran a higher than normal deficit. This is acceptable in such circumstances, but that is not something which can be sustained over a long period of time. If we do that, we are heading back to where we were in 1992, when we got a manageable deficit, huge amounts of external debt and all sorts of other implications.

Mr. President, it is important that we take careful note of the need for proper management of the debt and the deficit. Part of our problem is that in managing a small economy such as ours, which is to a large extent dependent

upon international trade, if you look at the structure of the Barbados economy what you would discover is that we first import a huge amount of the inputs we need, not only the food but the intermediate goods and the capital goods. Therefore, we depend on export of services, mainly tourism and financial services and some small amounts of manufacturing and agricultural produce.

The point is that our economy is dependant on international trade for its survival. Therefore, the issue of external competitiveness is a critical one for us in the management of this economy. If we are to maintain our external competitiveness in a situation where the trend and all impressions are, and we are not going to be able to escape them, to reduce tasks and to liberalise trade in goods and service, then we have to so manage our affairs that we can still remain competitive. This is a challenge but it is one that we can surmount, if we do the right things and pursue the appropriate strategies.

The reduction of tariffs, which is being proposed by a national community is one which will result in loss of revenue to us. The developed countries which are pushing that agenda are not dependent to the same extent as us on import duties. They collect their taxes from income and other sources, so it does not matter to them, the terms of being able to continue to provide the necessary services for the social development of the country, if tariffs are brought to zero. This is the agenda that they have proposed that by 2015, tariffs on goods should be eliminated.

Our approach to that is one which seeks to moderate the rate at which these tariffs are reduced, also to get a number of sensitive products exempted from that modality, that approach.

Mr. President, that is only a question of prolonging the eventual occurrence, and not a question of putting it off forever, because those other countries have their national agendas to pursue and they are interested in market access across the world. We have ours to pursue as well, and we are trying to get an arrangement that would give us some time to put in place the appropriate strategies that we can cope with the eventual.

The point is that even if we succeed, and I believe we will to some extent, in getting an arrangement which results in a more gradual reduction in the tariffs, we are still going to lose some revenue. There is still going to be some reduction in tax on all goods, agricultural goods and industrial. As I said, these are approaches that we will try to get the most favourable outcome, so there is going to be a loss of revenue.

I mentioned that particularly, Mr. President, because it is going to be happening at the time when the Government has already committed itself to a reduction in

income tax through a number of reforms which have been announced and are in place.

Sir, in dealing with this issue of salary increases, it would be very short-sighted of us if we ignore the fact that it is taking place in a context where the Government is at the same time reducing the tax burden. This has to be taken into account, because as you know, the income tax structure that we have is a progressive one, where the more you earn, the higher up you go on the ladder, and the greater the percentage which is taken off.

Sir, the Government could have left the structure as it was, but it did not, because we are convinced that in the interest of the economy, not only now to do with issue of wages, and the further development of the economy, there is need for a gradual reduction in the tax burden on individuals and corporations. This is why the Government has committed itself to a reform in the personal and corporate tax structure which will go in that direction. While it reduces some of the burdens on businesses, it puts more disposable income in the hands of the individuals. That is the kind of environment within which I suggest to you that this discussion on the wages' settlement should be taken.

Mr. President, before we look at the history to do with wages, I would just mention in order that everyone is fully aware of the situation we are dealing with, that the Government received two separate submissions, one from CTUSAB on behalf of its members and the other from the National Union of Public Workers (NUPW). In the case of CTUSAB, they asked for 7 per cent at the top and 10 per cent at the bottom, over two years. The NUPW asked for 10 per cent across the board and eventually settled for a three-year agreement.

Sir, listening to some of the discussions on the street and elsewhere, I heard people asking why three years and not two years.

Senate 8, sequence 6,

12.10 p.m.

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SENATOR THE HON. E. R. GRIFFITH: All I would say to them is that if they go back to the 1960s and the early 1970s, they would see that there used to be three-year agreements.

The rampant inflation that took place in the 1970s which peaked in 1975 at 40 per cent had something to do with the unions then thinking that it was more in their interest, because of the instability in the price system, to have shorter agreements. I suspect that is the same basis

which was used by the National Union of Public Workers when they agreed with the Government that if the rate of inflation goes beyond five per cent in the third year that there would be need for renegotiation on the matter.

If one looks at recent history, one would discover that the rate of inflation has been very stable and has been exceedingly low over the last eight years. We are now in a situation where there is predictability in a sense unless there is something so unusual taking place on the international scene that would upset our position. If you have that reasonable certainty as to how the price level is going to change, then there cannot be a strong basis for short-term agreements. There is nothing mysterious about why the Government has asked for a three-year agreement. The Government asked for the three years within the context of pursuing policies and keeping inflation low as part of its fiscal management which I partially outlined because I mentioned the need to control the deficit and to reduce the external debt. These are two of the components of the strategy which we would have to pursue in order to maintain our external competitiveness and to support the continuation of a fixed exchange rate.

I think that the National Union of Public Workers - I am not speaking for them, this is just my analysis of the situation - has tried to cover itself by getting the Government to agree that if the rate of inflation goes beyond five per cent that they would want to come back to the negotiating table to which the Government has agreed. That in itself should be evidence that you are dealing with an employer that has the interest of its employees at heart.

If further proof of that is needed, all one has to do is to go back and look at a number of things that have occurred since 1994. I said since 1994 because that was the time we got ourselves out of the stranglehold within which the International Monetary Fund and the World Bank were binding us. That came in the aftermath of the eight per cent cut in wages and the massive layoffs which had to take place in order to bring about the adjustment that was necessary if you did not go the route of a devaluation, but where you would still need to cut the deficit and your expenditure.

Any time you allow your expenditure to get out of hand, you either have to make the adjustment on the monetary side or on the fiscal side, and the only way you are going to make it on the fiscal side, is either to raise revenue or cut expenditure. There is no other way to make it on the fiscal side. If you cut expenditure, there are going to be dire consequences if the cut has to be a massive one. Our approach therefore is not to allow ourselves to get to that stage but to so manage our affairs that we will avoid those situations developing. Since 1994, the Government through its various policies has clearly demonstrated a commitment to maintaining jobs in the public sector in

spite of all of the advice from those experts on the outside. One of the decisions that was taken was to make casual employees public workers. I know that situation well, Mr. President, because not only was I in the Ministry of Finance when it happened, but even now I get visits from people who were casuals who left the service before that happened who got their gratuitous award that was available at the time, but who have now discovered, because that has disappeared, that they have nothing to hold on to.

I had a case not so long ago of a lady who worked with the School Meals Department who went off before she was ever appointed who had that experience. When she went all around checking out the matter, everybody she came into contact with pointed here in my direction, not because I was involved or ever worked in the Ministry of the Civil Service but because I was working in the Ministry of Finance.

Since I left the Ministry of the Finance, I was pursuing that matter on behalf of that lady. When I was in Geneva she wrote me there and the matter was still pending. Now that I have come home, I have met her niece who told me that the matter has finally been resolved. So I know the problems of those workers and I know the benefit of this decision by the Government to make these people public officers. They now can go home with sums of money in the vicinity of \$30 000 as a gratuity and will get a pension which they previously could not have had.

That is one piece of evidence to suggest that this Government of which I am a part is an employer that takes into account the interest of its employees. If you look at the number of appointments that have been made over the period of time you would notice that is another move. There are also a number of other things like the responsibility allowance that is being paid to the policemen, the prison officers and the nurses for the extra work which they have to put in because of the nature of their duties. They have always put it in, but they were not getting that allowance before. To give them that is an acknowledgment of the need to be fair and reasonable with one's employees. There are many other instances I can point to where the Government has demonstrated clearly that it is an employer that takes interest in its employees. Mr. President, if you look at public sector wages settlements between the periods 1995 and 1996 and 2002 to 2003, you would discover the following: in 1995-1996, the settlement was 2.5 per cent at the top and 3.5 per cent at the bottom; in 1996-1997, it was 3 per cent across the board; in 1997-1998, it was 6.25 per cent across the board; in 1998-1999 it was 3 per cent across the board. In 1999-2000, it was 4 per cent across the board; in 2000-2001, it was 2.5 per cent across the board; in 2001-2002, it was 3 per cent across the board and in 2002-2003 it is 2.75 per cent.

Mr. President, in 2001 and 2002 the economy was experiencing some difficulties, but in spite of that, in 2001 there was a 3 per cent increase and in 2002, there was a 2.75 per cent wage increase.

Senate 8 Sequence 7

12.20 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. E. R. GRIFFITH: Mr. President, if one looks at the rate of inflation over the particular period, one would discover that at the end of that period, 1995-1996, public sector wage increases had outstripped inflation by 10.73 per cent at the bottom of the salary scale and 9.73 per cent at the top.

Sir, you would remember the kind of scenario that I painted when I began to speak about how careful Barbados needed to be in managing its fiscal affairs, if it wanted to continue enjoying the benefits of a fixed exchange rate, et cetera. In that context, Mr. President, my training tells me that wage increases should be related to productivity increases and that it should take inflation into account. But we have noted that over that period, the increases have outstripped the inflation.

Mr. President, is that the action of an administration that is not looking after the interest of its workers? Of course not. That is clearly a case of an employer who has its workers' interest so much at heart that it goes beyond what would have been necessary if it is taken within the context of the need to manage the economy in a certain way.

Mr. President, in one of the discussions on the street, I heard some people saying that the Government should have continued with the negotiations and should have pursued a settlement. Sir, that would have been the wish of the Government but we have to be realistic.

Asides.

SENATOR THE HON. E. R. GRIFFITH: I am not going to get into the finer points of that on this occasion because there would be other occasions which would be more suitable for me to deal with that. Mr. President, the Government is satisfied that it has done its best to reach a settlement.

Asides.

SENATOR THE HON. E. R. GRIFFITH: Occasionally, that happens. Sir, I sometimes bite my tongue and my tongue and my teeth are in my mouth and sometimes they conflict. After a while I have to say to them

that they are both there and have to learn to get back together. Sir, the point is that sometimes there would be different views and issues. I am sure that even those who have not agreed entirely with what is here before us, would share the same concerns that I have expressed on behalf of the Government.

As I have said, in terms of the business in this country, my life was changed in 1992. I still, in some sense, suffer from that era. It was an occasion when, on a daily basis, it was traumatic. I have seen nothing like it before in all of my time in the Ministry of Finance, and I have been there since 1973.

Sir, on a daily basis, I had to speak to the Accountant-General, the Commissioner of Inland Revenue, the Commissioner of Land Tax, the Barbados Port Authority, the Insurance Corporation of Barbados, et cetera, in order to have managed the daily affairs of the country. It was a horrible situation. In fact, I would not encounter it now because I have escaped the system. I would encounter it from a different perspective as a citizen but I would not have the horrors of sleepless nights and terrible days, while trying to match things.

Mr. President, apart from the fact that I am a Member of the Administration, I am satisfied, as a person who has some little understanding of these issues and as one who has looked across the world from time to time at situations which have developed, where countries have fallen into hard times. For example, not so far away from us in our CARICOM countries, there are a number of countries that are experiencing difficulties, et cetera.

Mr. President, I have always taken some pride in the fact that, over the years, we have built up a reputation of being able to manage our affairs well, and that on that basis, we have been able to survive.

Sir, many times I have taken part in road shows in the United States of America, the United Kingdom, and elsewhere, when we were seeking to borrow funds on the international markets, or when we were just touching base with our friends to renew acquaintances and in reminding them that we were still around. Mr. President, whenever I had taken part in a road show, certain questions would have come up about the degree of our vulnerability and of the fact that if certain things were to happen, we might have experienced difficulties, et cetera. I took part in a road show a number of years ago in the United States of America in a bond issue, and in one day, it was oversubscribed. Sir, but at the end of all of that, there is one thing that used to be said and that is that Barbados is known internationally as being able to manage its affairs well. Sir, that has stood us well.

Mr. President, Barbados is one of the few developing countries around the world, not to mention the region, that has been able to get the kind of credit rating that we have. Sir, the significance of that is that whenever we go to the international markets, because of the favorable credit rating that we have, we have been able to borrow at rates that are below our competitors because they have different credit ratings.

Sir, that is something which we have to preserve. It is one of the things that we keep in mind when we look at how we need to manage the fiscal deficit and the external debts, because we want to preserve a credit rating which was necessary for us to go to the international markets, for us to be accepted and to be treated in the way in which we have always been treated.

Mr. President, I believe that if we are to maintain that kind of situation, we must properly manage our fiscal affairs. Therefore, I think that what the Government is here doing, is a reasonable settlement to the public workers and it is in the best interest of the country.

Mr. President, before closing, I would like to share some information with you. Sir, you would remember that I spoke to the fact that this settlement is taking place within the context of a reform of the income tax structure. I think, however, that I should remind Honourable Members of what is going to happen with the income tax. In January 2003, the basic rate on taxable income of \$24 000 or less, was reduced from 25 per cent to 22.5 per cent. From January 2004, this basic rate would be further reduced to 20 per cent.

Senate No.8(8)

12.30 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. E.R. GRIFFITH: The threshold on which tax will be paid will be moved from \$15 000 to \$17 500 and this means that persons earning this amount or less would not pay any taxes. From January 1, 2005, the taxable threshold will be \$20 000 and the marginal tax rate which is now 40 per cent will be reduced to 37.5 per cent. At the same time, there will be an adjustment to the corporate tax rate.

I made the point that the salary settlement has to be taken within the context of the income tax reform because it is another way of making sure that individuals benefit. If we left the tax structure unchanged and gave persons more than the Government has now agreed to, the person would take home less because taxes would have taken a portion of it. In my view, this is a reasonable and fair settlement. When you take into account the fact that Government has

done a number of other things it shows a willingness to support its staff.

Sir, what has happened on this occasion is better than what took place in the past. From my recollection in the past, there was the salary settlement and then there were long, drawn-out discussions about travel, other allowances and the issue of pensions. Now, all of these things are being fixed at the same time and nobody feels that after salaries are fixed that you then have to hold strain on allowances.

In addition to public officers settlement being proposed in the legislation before us, as is the custom for a number of years, there are a number of other persons who receive remuneration from the Consolidation Fund. As is the custom, the Resolution before us captures everyone who benefits from the Consolidation Fund and the pensioners have been settled at two-thirds of what is given to the workers.

On my way to the Senate this morning I heard someone say that some category of person will get \$45 a month increase and that it was not a lot of money. Sir, that may be true, but the total cost of this bill to Government is a lot and that is the issue even though an individual may not get what he thinks he should. We are confident that the strategies worked out would, over time, bring the economy back to the point where economic growth can take place on a sustainable basis. Sir, it is not a question of stopping and starting but a question of the economy working on a sustained path over time.

Sir, I keep hearing year after year that there is nothing in the Budget for the small man but the truth is that persons who make that statement have missed the Budget because this document contains the Budget of the Government for 2003. If you look elsewhere for things that would affect people across the county, you would not find it because you are looking the wrong place.

Mr. President, I want to make the point that if Government allows itself to be pushed we would find ourselves in a position where, ultimately, we would be forced to do what happened before. We would have to cut the expenditure and persons at the bottom would suffer more because they depend on the services provided by various institutions which have to be funded by the revenue. We have given substantial amounts of income tax and land tax through the adjustment made and, at some point in time, with the pressures from the international scene, we are going to be faced with some degree of reduction in import duties and the only way we can maintain the existing level of operation in that setting is to raise new revenue.

In spite of all these impending difficulties we are confident that what we are proposing here will allow us to so manage the affairs of the country that we will rise above all these difficulties.

Mr. President, I am therefore convinced that this Senate should be asked to support this legislation before us. There are several pieces to the Resolution which covers teachers, parliamentarians, the Governor-General and all the public employees.

H8/ Sequence 9

12.40 p.m.

Wednesday, December 17, 2003

Continuation of: They all relate to the wages settlement and the result from this decision.

SUSPENSION OF SITTING

SENATOR THE HON. E. R. GRIFFITH: Mr. Speaker, I beg to move that this Sitting be suspended until 1.45 p.m. today.

The question that the Sitting be suspended until 1.45 p.m. was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.

S8: Sequence 10

12.40 p.m.

Wednesday, December 17, 2003

1.47 p.m.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

SENATOR F. J. STUART: Mr. President, the Resolution before the Senate calls on us to endorse and put our stamp of approval on the Government's decision to impose a salary settlement on the public servants of Barbados, and to do so by use of the parliamentary instrument.

I do not say, legislate salaries because I am aware that all salary settlements have ultimately to be legislated. What I am saying is that we are being asked via the use of a parliamentary instrument to impose a salary settlement on the public workers of Barbados. Now, let me be very frank and say that this is not the first time this would be occurring. It has happened in the past, and it has certainly

happened under the Democratic Labour Party of which I am a member and whose spokesman I am here today.

The passage of time, Mr. President, has not dimmed my recollection of the year 1976 for example, when the Democratic Labour Party, then in Government, offered public servants what I believe was the largest salary settlement ever offered to them, up to that time and, I believe, since, as well...

Asides.

SENATOR F. J. STUART: I said, I believe since, it may or may not be so, but certainly up to that time.

Senate 8, sequence 11,

1.50 p.m.

Wednesday, December 17, 2003

SENATOR F. J. STUART: The union leadership of the day, it may or may not be so, but certainly up to the time, rejected that offer forcing the then Prime Minister, the late Mr. Errol Barrow, to come to Parliament and impose a settlement in terms of the offer which the Government had made on the public servants. At that time, we did not know what the motives of the public service union were.

The year 1976 was an election year and after the general election we were then able to understand why the Union and those who were negotiating on behalf of the public servants were so recalcitrant in those negotiations because the General Secretary of the Union at that time was immediately appointed as a Parliamentary Secretary in the Ministry of Immigration in the new Barbados Labour Party dispensation. Of course he has only known upward mobility since then. He ultimately became a Minister of Government from this Senate immortalising himself by using this Senate to describe the doctors at the Queen Elizabeth Hospital as vagabonds. I believe he has now succeeded to an imperishable renown in his more recent capacity as Director of the Urban Development Commission. So I am familiar with the imposition of wage settlements in circumstances where the Government believes that the Unions are being unreasonable, so there is nothing new about what is happening here today.

The difference between 1976 and now is that in 1976 there was nothing called a social partnership. In the year 2003 there is. The partners to this partnership are the Government, the owners of the capital, the employers, the labour unions and the workers. Of course, the Government wears two hats in all of this, because not only is it the Government, but the Government is also an employer as well.

I have never been an evangelical proponent or supporter of the social partnership as presently constituted. I am on record as calling it a philosophical absurdity and I have remained committed to that view because nobody can convince me, and all the pages of history one can comb do not disclose, that there can be any genuine partnership between the owners of capital and labour for the very simple reason that as far as the owners of capital are concerned, labour is a cost and the owners of capital as employers in a capitalist economy try to keep their costs down. Therefore, to talk about a social partnership between labour and capital is like talking about a partnership between a lizard and a fly, a cat and a mouse or a cannibal and his victims. Somebody is going to be somebody's dinner at the end of the day.

I concede that during a very difficult period in the last Government of the Democratic Labour Party objective conditions forced the Government into an agreement with the private sector and the Unions in what was then called a Prices and Income Protocol which was subsequently called a Social Partnership and what is nowadays called off and on, a social compact. The Democratic Labour Party has to live with that fact because I do not think that it contemplated that that decision then would have issued in what we have now.

This social partnership exists and undergirding it, as I understand it, is to be good faith in the dealings between all the parties. As between labour and capital, there is to be transparency and good faith. In the dealings as between the Government and both, there is to be transparency and good faith. What we are being asked to do today does not in any way reflect the spirit of what that social partnership has required of the Government.

I listened with very careful attention to the Honourable Minister and Leader of Government Business in the Senate. He acquitted himself as the Government would have wanted him to in this debate, but he omitted to say that when this Government came to office in 1994 it inherited an economy that was on a growth path. He lamented the fact that as a public servant, he had to live through and work through that very difficult period, but he stopped short of saying that the Government of the day got the economy out of the hole in which the economy found itself as a result of a deep international recession, that the Government of the Barbados Labour Party that came to office in 1994 found an economy on a growth path and that the economy remained on that growth path until the year 2000 or 2001. That is a fact. I do not belong to this school of thought that promotes the orthodoxy in Barbados that when things are going well here economically, it is as a result of the genius of a Prime Minister or a Minister of the Finance, but as soon as it starts to go badly, it is as a result of international conditions. You cannot have your cake and eat it too. If it is true as the Honourable Minister said, and

we cannot contest this, that Barbados is vulnerable to the pulls and the tugs of international events and that we are an open economy, then when things are going as we want them to go, it has to be as a result not only of what we do here but of international conditions. However, when things are not going as we want them to go, it is as a result of international conditions, but not so under this dispensation. When things were going good, we heard what an economic genius the Minister of the Finance was and the moment that things began to go awry we heard about international conditions, the OECD, September 11 was blamed.

Senate 8 Sequence 12

2.00 p.m.

Wednesday, December 17, 2003

SENATOR F. J. STUART: Sir, everybody was blamed because this Government did not want to accept the blame for anything that was going on in Barbados and I do not subscribe to that. Let us be fair to the facts. If Barbados is a small open economy in good times, it is also a small open economy in bad times as well.

Mr. President, the other point I want to make is that, in 1994, the people of Barbados had listened to both the Barbados Labour Party and the Democratic Labour Party on the state of Barbados. They had agreed with the Barbados Labour Party and had voted the Democratic Labour Party out of office. The Democratic Labour Party has paid for any mistakes which it has made in the management of this country. That cannot explain anything that is happening in Barbados today, and it is not an answer to any criticism of this Government that the Democratic Labour Party has done anything in 1994, 1993 or 1992. The reality is that we are living in the year 2003 and by the standards of the year 2003, we want to be judged. Therefore, in those circumstances, the facts have to be assessed.

Mr. President, in these negotiations, we say that the Government is guilty of a breach of good faith because not only is the Government using the parliamentary instruments to curtail discussions in a context of Social Partnership when good faith is expected to prevail but part of the crusade of the Barbados Labour Party in 1994 was that it would have never legislated, by which it meant imposed salary settlements on the public workers of Barbados.

Sir, the imposition of salary settlements on the public workers of Barbados was supposed to represent the bad old days of the Democratic Labour Party and that since this Government has come to power, it would have cleansed all Barbados of the Democratic Labour Party's defilement, and, therefore, the people could have

confidently expected that it would have never imposed a salary settlement on the public servants of Barbados.

Mr. President, that is a matter of record. It was said throughout the 1994 election campaign and since then by this regime. Today, we have another breach of faith on the part of the Barbados Labour Party's regime. I said another because we have also heard that Supplementaries were supposed to be a thing of the past, that the previous Government could not have forecast, that its skills were poor, and that once the economic genius takes over at the helm, Supplementaries would have become a thing of the past.

Mr. President, Supplementaries do not come to the Senate for obvious reasons but one could take judicial notice of the fact that there cannot be a Government in Barbados, in the nine-year period, that has brought more Supplementaries to Parliament than the Barbados Labour Party's regime. Therefore, we are here today discussing a breach of faith, that is, a Government is trying to impose a settlement in circumstances where the negotiations were not completed.

Mr. President, as the Honourable Minister has made clear, the negotiating parties were the National Union of Public Workers and the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB). The Honourable Member has said that the National Union of Public Workers had made an offer of a settlement at the rate of 10 per cent and that the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) had made an offer of 10 per cent at the bottom and 7 per cent at the top over a two-year period.

Mr. President, history can help us here. It is a fact that in the last set of negotiations, the same two parties were negotiating with the Government and for reasons up to now unknown, the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) went ahead of the National Union of Public Workers and settled with the Government, thus forcing the National Union of Public Workers to fall into line with what was agreed upon. The reasons were not known and perhaps there were good reasons for doing it. I am not trying to impugn anybody's integrity or motives.

Sir, what I know is that was a most undesirable occurrence at that time and, therefore, it surprises no one now that the National Union of Public Workers has behaved in precisely the same way in relation to the Congress of Trade Unions and Staff Association of Barbados (CTUSAB), as that Congress had done in respect of the National Union of Public Workers.

Mr. President, I consider all of this as being most unfortunate, for it has allowed the Government to benefit

from tactics of divide and rule. Sir, I, therefore, hope that we have seen the last of this. The only losers in these adolescent and puerile games are the public servants of Barbados. While these competing egotisms and egoisms play themselves out, the persons who lose in all of this are the workers of Barbados.

Mr. President, the Congress of Trade Unions and Staff Association of Barbados (CTUSAB) represent a versatile range of employment categories in Barbados. In the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) can be found persons negotiating on behalf of the Police Force, prison officers, teachers, fire officers, certain other parts of the public service, and the Barbados Registered Nurses Association. This represents a varied range of interests that have to be taken into account in any salary negotiations.

Mr. President, it is these interests that have not been heard in these negotiations. As I understand it, and I stand to be corrected, the Government has had three meetings with the Congress of Trade Unions and Staff Association of Barbados (CTUSAB). When it was expected that the Government would have gotten back to them, a settlement was agreed upon with the National Union of Public Workers.

Sir, I do not believe that the police are surprised about this, because the police know where they stand with this Government. Already they were told that whatever they think about themselves, this Government does not consider that there is anything special about them. Therefore, while they survey the coasts at nights and, in some cases, lose their lives, this Government, in a practice of cynical manipulative politics, sidesteps and bypasses the interest of the Royal Barbados Police Force's legitimate interest since, based on my contact with that Force in the course of my daily responsibilities, I know that they have legitimate concerns about their conditions of service.

Senate No.8(13)

2.10 p.m.

Wednesday, December 17, 2003

SENATOR F. J. STUART: but those concerns have not been heard in these negotiations. Neither have we heard from the Barbados Union of Teachers nor the Barbados Secondary Teachers Union as exhaustively and extensively as would be expected in negotiations conducted in good faith. Meanwhile, they, too, have issues related to their conditions of service and the level of their remuneration.

Sir, they are forced by this regime to accept this salary settlement imposed because this regime is playing off one end of labour against the other in a cynical power

game. Sir, I could go through all the other categories who were sidestepped as a result of the Government truncating discussions with the CTUSAB in these negotiations. All of this was against the background of a Government and Party committing itself to not legislating salaries in the bad old tradition, it was claimed, of the Democratic Labour Party.

Sir, we are not going to support this Resolution. My colleagues in the Other Place voted against it yesterday and we are going to vote against it in here today as well. Mr. President, that is the background against which this debate is being conducted today.

The Honourable Leader of the Senate gave a fairly comprehensive view of the state of the economy and the economic management of the Barbados Labour Party of the economy over the last nine years. I like to hear these doxologies because they remind me that there are still people in Barbados who still try to give the impression that there are Governments who maliciously set out to do wrong against the public and other far more noble who set out to do right. I do not know of any Government in Barbados, in my lifetime, that was actuated by malice against the people of Barbados. Governments do things according to their likes and since economics is not supposed to be an exact science, things go right sometimes and things go wrong.

Mr. President, whatever is said about the Democratic Labour Party, it has a record in this country of which every citizen of Barbados is proud and no attempt to sully the good name of the Democratic Labour Party will succeed in Barbados.

We do not believe there is any malice on the part of this regime either although the regime is horribly wrong in its emphases in terms of policy choices and options. We take no comfort from the fact that in spite of all this talk about postmen being able to import motor cycles duty free, a fact expected by any Government at some time, that for the last nine years the workers of Barbados cannot lay claim to one legislated triumph in the Parliament of Barbados. There is not one piece of legislation to which the Barbados Labour Party can point over the last nine years and say that it was requested by labour and that it was done for labour but other interests in the country can point to an entire list of legislated triumphs which they have registered.

Sir, I am not impressed with the talk that this Government is being more humane and committed to the workers than any other Government because in every Manifesto of the Barbados Labour Party since 1971, employment protection legislation was promised to the workers of Barbados. We are in the year 2003 and not one legislated triumph can the workers point to on behalf of this regime. All this talk about love for workers and how good

this Government is, does not impress me and I do not hear it reflected on the streets when people talk to me.

Mr. President, that is the context in which this debate must be conducted. Government needs to be unmasked on the issue of its pro-worker stance. There has not been a word from this regime on the minimum wage legislation which we heard about so long. The Employees Rights Bill was brought to Parliament and sent to Committee in order that it might perish. Sir, Parliament was dissolved, and the Bill ended and there was no priority attached to the interest of the workers of Barbados by this regime.

Mr. President, in discussing these salary proposals today, it has to be understood where this Government is coming from. It has played off CTUSAB against the National Union of Public Workers, the National Union of Public Workers against CTUSAB and is having its way.

If you listen to what the Honourable Minister said today and what was said in the Other Place yesterday, it is clear that Government came to the table with its mind made up and rather than respect the Union in what they had to say, they humoured them until a convenient time to get these negotiations behind them.

Mr. President, the offer put on the table by CTUSAB will bear some examination. According to the Minister, CTUSAB put an offer on the table of 10 per cent at the bottom and 7 per cent at the top over a two-year period. As I understand it, Government could not offer this because it is now crawling out of a difficult situation that had its genesis some time in the year 2001. Another characteristic of the dispensation out of the last nine years is that when the economy is said to be down the workers are told to hold strain because the Government needs to get it out of the hole it is in but when the economy comes out of the hole, the workers are again told to hold strain.

S8/Sequence 14

2.20 p.m.

Wednesday, December 17, 2003

SENATOR F. J. STUART: Whether the economy is doing well or not the persons asked to hold strain are the workers. Sir, that is why nobody in Barbados can point me to any concrete benefits which this so-called Social Partnership has yielded for the workers of Barbados. I can itemise the benefits which it has yielded for the owners of capital. I can even itemise the benefits that it has yielded for the Government but not any benefits that the workers can lay claim as having derived.

Mr. PRESIDENT: I am hearing voices other than the Senator that is speaking. This is likely to distract the

Honourable Member and the Chair. I want to hear only Senator Stuart.

SENATOR F. J. STUART: I am obliged to you, Mr. President. I can count on your protection and I am pleased to do that. Mr. President, that is the situation facing labour in Barbados today.

Sir, in the context of that situation the Government, claiming that the economy was not doing well enough to accommodate the offer put on the table by the Congress of Trade Unions and Staff Associations of Barbados agreed with the National Union of Public Workers on an across-the-board settlement of 8 per cent over a three-year period.

Mr. President, it stands to reason that if the Government is seeing difficult times, one can only guess at how hard things are with workers at the lowest end of the salary scale in Barbados in the public and private sectors. That is why the Congress of Trade Unions and Staff Associations of Barbados was right to demand a two-tiered type of settlement in these negotiations because if things are rough with the Government it can naturally be assumed that what is there to be distributed should be distributed in such a way that the people who are feeling the most pain can qualify for the most alleviation of that pain; but the Government has refused to see that.

Sir, an across-the-board settlement now has the result of increasing the quantum of money which the people at the lower end of the salary scale will get. It also increases the quantum of money that the people at the upper end of the salary scale will get but it keeps the proportionalities in place. The gap is not narrowed between the people at the bottom and those at the top. According to Mac Fingall, the gap is still the same after these negotiations.

Sir, I want to identify myself with the thinking of the Congress of Trade Unions and Staff Associations of Barbados on this issue of a two-tiered settlement in the present circumstances because if things are rough with the Government they must be rougher with workers at the lowest end of the salary scale. This is the justification for the proposal which was put forward by the Congress of Trade Unions and Staff Associations of Barbados.

Mr. President, this Government has turned a deaf ear and a blind eye to the legitimate request of the Congress of Trade Union and Staff Association of Barbados and truncated the discussions in a singular act of bad faith, practising the hideous politics of divide and rule.

Sir, if the leaders of the National Union of Public Workers and the Congress of Trade Unions and Staff Associations of Barbados do not understand that whatever breaches that may exist between the two sides must be

healed if the workers are to be protected from this kind of cynical manipulation, that they would perish in the long term in infamy, remembered by the workers of Barbados, not by any good that they have done but to the extent to which the interests of the workers of Barbados were injured in these times.

Mr. President, the Leader of Government Business in his winding up mentioned that while the Resolution before the Senate deals with the Civil Establishment (General) Amendment, that a whole range of salary categories is comprehended in this debate and among those listed were parliamentarians and others. I do not get involved in debates in what parliamentarians earn because I belong to a school of thought that basically says that the people of this country have to understand - they do not - the kinds of burdens that people assume when they enter politics. I think that it is one of the saddest failings of politicians in Barbados, and I experienced it painfully when I was in the Other Place between 1994 and 1999, that they are afraid of the very people that they lead or purport to lead. Therefore, they believe that shifting, dodging and trying to hide things from them is a solution to postponing their wrath. I do not accept that. People in this country have to understand that there was a time in Barbados when in order to get into Parliament you had to satisfy certain income and or property qualification and in order to vote you had to satisfy some of those qualifications as well. That did not include the vast mass of the people of this country. They did not have access to their politicians then because the politicians were not sent there to represent them. Those were the days when property voted for property to protect the interest of property.

Sir, after the introduction of Universal Adult Suffrage and the masses of this country came into their own, they could elect their own representative and the disqualifications were removed for election to the House of Assembly.

We now have Governments of the people. However, if an increase for parliamentary salaries comes up for discussion there is negative response and there is uninformed criticism of increases for parliamentarians. People have to decide whether they want us to go back to the days when only people who could afford to do without parliamentary salaries could get elected to Parliament. Then they must ask themselves if such types begin to come back to Parliament, whose interest will they be coming to represent.

I think that there has to be a frank debate with the people of Barbados on these issues. It has not taken place yet and, therefore, the grumbling and the rage continue.

S8: Sequence 15

2.30 p.m.

Wednesday, December 17, 2003

2.30 p.m.

SENATOR F. J. STUART: I agree that sometimes the grumbling and the rage might have a lot to do with the fact that some of the very people elected to represent the masses of the people do not end up doing that, but end up representing other interests but they must certainly be in a minority in Barbados.

Sir, I am not going to get myself involved in any discussion as to whether Ministers earn too much money or too little money or how much money the Prime Minister is earning or anything like that, but I have a concern about one aspect of these increases which are before the Senate today.

Mr. President, there was a general election in this country in the month of May and the Barbados Labour Party was returned to office. When Parliament was dissolved, the country had a Prime Minister and a Deputy Prime Minister. After the general election, it was announced that the Deputy Prime Minister had been replaced and was to assume the title of a Senior Minister. No explanation was given to the country as to why this change had taken place and perhaps none had to be given. I do not know, but however you look at the change, it was a demotion. Maybe, the then Deputy Prime Minister requested to be relieved or the Prime Minister decided that he preferred to have somebody else as his deputy. Since no explanations were given, one is entitled to guess and surmise anything.

The point is that the concept of a Senior Minister was not unknown to the Parliament of Barbados, since the Parliament in which I sat, between 1994 and 1999, former Prime Minister Sir Harold St. John was a Senior Minister. He was not in the Cabinet, but he was called a senior minister and sat on the Frontbench, so the concept was not new, and nobody was taken by surprise when that announcement was made.

Mr. President, I have a profound difficulty when I look at the Resolution now before the Senate and note that there is a provision for this Senior Minister to be paid the same salary as the Deputy Prime Minister, and that this is retroactive to the date of that appointment. Sir, this creates a serious anomaly in my respectful submission. I do not think it was right. There were other options open to the Government on this and to the Prime Minister. For example, those of us who have a nodding acquaintance with Caribbean politics, know that the late Dr. Eric Williams, perhaps for political protection, appointed three deputies. They spent so much time fighting among

themselves that they had no time to fight with him. Therefore, these things are known in Caribbean politics, but to appoint a Senior Minister, who is in effect in qualitative terms, still a Deputy, since she is being paid at the same level, in my view creates an anomaly. I think that the Government needs to say something about this. It has to be explained.

Sir, this is no attack on the personality involved. In fact, I deeply regret that this has to become an issue at a time when, for what I regard as conscientious service to Barbados, we could be congratulating that Minister. Therefore, to create a post of a senior minister and then, reward it at the same level as the Deputy Prime Minister is in my view, politically offensive. I wish that the Government had been more candid on this issue. I also wish that when the Senior Minister was being appointed, we were told what were the defining features and characteristics of this species called a paid senior minister.

Sir, as I said, I have known a senior minister in the Parliament which I sat, a former Prime Minister who was accorded the courtesy of sitting on the Frontbench and wearing that designation. This is now creating a post and it is not the post of Deputy Prime Minister. It is a post of Senior Minister rewarded in the same way.

I want to hear from Honourable Members of the Government on this issue, because it is worrying the people of Barbados as well. In the context of truncated negotiations, and the way the Government has behaved in this whole salary issue, it would have helped the Government considerably if this insult had not been added to the injury of breaking off negotiations with the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) as cruelly as it did.

Mr. President, the Resolution before the Senate is not one which we, on this side can close our eyes and support. We find a fault with the Government's breach of faith. We find a fault with the Government manipulating the process in such a way that a highly varied category of workers represented by the Congress of Trade Unions and Staff Associations of Barbados have been shut out of the process so that the Government could have its way, playing off one Union against the CTUSAB. We find a fault with the fact that the very legitimate claims to a two-tiered settlement put on the table by CTUSAB was so coldly shunted aside by this Government.

We accept the argument of the CTUSAB that a two-tiered settlement was absolutely necessary, having regard to the fact that the people at the bottom of the salary scale needed to benefit more from this settlement than the people at the top. We do not accept that justice is being done in this case where the quantities increase but the proportions

remain the same between the workers at the top and the workers at the bottom.

Lastly, we do not accept that in the context of all of this, the Government can justify appointing and paying at the level at which she is being paid as Senior Minister as part of these negotiations. We think it is a slap in the face of the workers of Barbados, no insult intended to the beneficiary and I want to make that very clear, but in the context of the overall argument of the Democratic Labour Party in this matter, we think this has been an insult to the workers of Barbados.

Therefore, Mr. President, we cannot support this Resolution, because:

- To support it would be to endorse this Government's breach of good faith in the negotiating process.

Senate 8, sequence 16,

2.40 p.m.

Wednesday, December 17, 2003

SENATOR F. J. STUART: - To support it would be to endorse this Government's rejection of the legitimate claims of those at the bottom of the salary scale who most need the Government's assistance at this time and

to support it would be to endorse this Government's solution of its own internal problems by resorting to the Consolidated Fund.

I do not believe that we in the Democratic Labour Party could live with ourselves if we did other than to oppose this Resolution. We wish the public servants well and we hope that by the time the next set of negotiations come around that any cleavages between those who negotiated on their behalf can heal so that the Government can be confronted with a united set of negotiators so that the public servants are not the losers in the process.

Before I sit, Mr. President, I want to address one final issue of which the Leader of Government Business made very heavy weather. In extolling the humanity of this Government, the Leader of Government Business said that the Government agreed with the National Union of Public Workers that should inflation race ahead in the third year of the settlement rate agreed to in these negotiations, that the Government would come back to the negotiating table. I need to understand that a little better because you can only properly assess inflation in the third year by the end of the third year. You cannot assess inflation in the third year at the beginning of the third year, so you would have to wait until the third year is ended by which time the entire

settlement would have expired and you are talking about a new set of negotiations. So talking about the Government coming back to correct any mistakes that were made in this settlement is, in my view, an inelegant piece of sophistry which needs to be exposed. I think that the National Union of Public Workers has been duped by the Government on this issue. On that point, again we cannot support the Government. We do not think that it changes any of the factors that led us to believe that what we are debating here today is totally unsatisfactory. If it is true, as the Minister said, that the three-year agreement is so desirable and that it existed before, we know that it existed before, we have to accept that there has been an eight per cent settlement with the public workers which can only be assessed at the end of three years, it cannot be assessed before. Therefore, the Government cannot come back to any negotiation table as a result of any inflation in the third year. The Government has a queasy conscience because the Government knows that it has promised the Congress of Trade Unions and Staff Associations of Barbados to look at what was being offered for the third year with a view to putting a sweetener in the third year to make acceptance of a three-year settlement more agreeable. While the Congress of Trade Unions and Staff Associations of Barbados was waiting on the Government to get back to it on that, the Government went behind the Congress of Trade Unions and Staff Associations of Barbados back and settled with the other Union on terms that were inimical to the interest of the Congress of Trade Unions and Staff Associations of Barbados.

Therefore, Mr. President, we are not supporting the Resolution. We do not believe that salary increases are inherently bad. We are glad that the public servants would be getting more money than they were getting last month or last year, but the context within which this settlement was reached leaves much to be desired and strikes at the very root of the industrial bargaining process. So to support this Resolution would be to endorse what is really an injustice done to the parties who were negotiating in good faith with the Government.

I thank you, Mr. President, for your patience and I thank you for the protection. One of the hazards of your calling is that you have to tame those people who are feeling pain when the logic is too strong for them, but you have done quite well, Mr. President, and I am obliged to you. Thank you very much.

SENATOR G. P. B. NICHOLLS: Mr. President, I rise to give overwhelming support to the Government of Barbados for bringing these Resolutions very early on in this Government's term of office.

Sir, quite frankly, the Caribbean man and woman have always been at the focus of all our developmental exercises. There has been a rigorous outpouring on the

socio-economic conditions and the plight of the Caribbean man and woman, the labouring classes of persons, who worked to build the society that we seek to lead. Sir, on the occasion when the existing accord had expired, it is a tradition that the social partnership in its widest embrace meets to determine how the public workers would benefit at the expense of Government in terms of an increase in their salaries. This, unlike all of the other discussions on the socio-economic conditions of the people in the Caribbean particularly the labouring people, has brought with it the entire outpouring of political sentiment and academic discussion.

Sir, it is my intention to bring to this debate the central issues that ought to concern a government of the nature, quality and kind that leads a society like Barbados within the context of the international economic environment that we operate. Sir, while it is all good and well to sit on the partisan horse and announce platitudes about what governments did before and what Government should do and things like that, I think that the debate must be sensibly placed within the wider context of our national policy option within the wider framework for providing a basis for our sustainable economic development.

Sir, a lot of debate while the negotiations were going on, spoke to what Government could afford and that the country would only be able to give those increases in keeping with what the Government could afford. The Prime Minister went back to a statement that was made by the Right Excellent Errol Walton Barrow when he was Prime Minister of Barbados cautioning the public workers at a time when a similar exercise was going on under the great man's watch that the Government could only give the public workers what it can afford and the Government cannot be reckless because the Government has to take into consideration the wider picture of Barbados' economy. In my estimation, Sir, that is only touching the surface.

Sir, any discussion on salary increases in Barbados must not only speak to what this country can afford, but must also take into consideration our relationship with the world in terms of increasing our competitiveness and our productivity. We cannot afford to stand splendidly in isolation from the factors that impact upon small open economies. We cannot do it. We are coming out of the 20th century which by all reports was not the century for the Caribbean.

Senate 8 Sequence 17

2.50 p.m.

Wednesday, December 17, 2003

SENATOR G. P. B. NICHOLLS: Mr. President, it is a Century where the major factors that define the economic

performance of Caribbean societies still confront us as major challenges, when we enter the 21st Century. It is against that backdrop that this debate upon what we could afford to give our people for their labours and their toils, has to be placed.

Mr. President, I want to highlight some of the features of the economic landscape in the 20th Century that still confront us as we try to carve out what we consider to be a creative economy, one that is functioning properly within the new global environment. Sir, issues such as poverty, unemployment and fiscal difficulties of governments still exist today as it did in the last Century. There are recurring external imbalances that pose threats to Governments financial or fiscal bases.

There are also major distortions in resource allocations in favour of highly subsidised state enterprises or highly protected firms. Our economic sector, such as agriculture, has been based upon trade preferences which are becoming a depreciation asset within the context of the international economic environment. Sir, and while those sectors were making money and earning foreign exchange then, they were focusing narrowly on the production of primary products, which were sold upon a market in which we could not have influenced the demand or supply.

Sir, our distributive sectors that evolved within the context of the plantation economies of the Caribbean were largely made up of what the economists consider to be import-intensive oligopolies. The private and public monopolies that we know as a feature of the Barbadian economy and in the Caribbean society, function at the level of our services sector, which really affect our ability to deliver a competitive service in this country.

Mr. President, therefore, many public and Government enterprises have focussed on narrow specialisation and there is a challenge for us to bridge the gap between what we needed to obtain at the end of the last century and facing up to the challenges of the new era. Sir, we are past the crossroad point, the long run is now here. We can no longer sit back and say what we want to do within the 21st Century when it comes. That time is now.

Sir, I would go on to say that we are necessarily unprepared because of our historical origins and that we are now caught up in what could only be described as developmental catch-ups and a rearguard action to maintain the status quo of sectors that have doubtful validity, or sectors that are striving now to make new arrangements, so that they could have mechanisms to suit the transition period in the new era.

Mr. President, the salary increases that we pay to public workers which would also lead to the negotiation in the private sector, upon which that is pegged, must be taken

within the context of where the new creative Barbadian economy, one that is functioning in the 21st Century, and how that economy is going to engineer a new spirit of enterprise, not only charting Barbados into Government, labour and private sectors, but being able to take the resources, not only of Barbados but of the Caribbean, as it is contemplated in our movement within the Caribbean Single Market and Economy.

We want to create an economic enterprise which is productively sustainable and inclusive. That is the context upon which the social partnership has been formed. Sir, there is now no great division, as has once existed, in terms of the philosophy of labour fighting against governments and against the private sector.

Mr. President, when I was at the University of the West Indies (UWI), we were exposed to a whole range of theories which looked at the contradictions of the evolution of modern states in the Caribbean because the political parties and trade unions came from the same movement. They were political unions in a sense but the biggest contradiction happened at Independence, when the State became an employer and the same persons who were doubling as political leaders and trade union leaders, had a contradiction in which the basis of their origins was to protect the interest of their workers. As a result, when the State, being represented by those same persons, became the employer, it presented a contradiction.

Mr. President, these are the social and political forms that have been changing across the landscape of the Caribbean and we cannot necessarily hold fast to those truths that obtain today.

Sir, I would want to dissociate the Barbados Labour Party from the kind of thinking that pervaded in the 1950s and 1960s in terms of looking at Barbados as a domino society because the challenges that confront us as a small country, do not allow us the philosophical and rhetorical position that we could look at labour and capital as not sitting together and achieving anything, and that anything that Government does, only supports capital, et cetera. That came from the Democratic Labour Party.

Mr. President, the accord reached by the National Union of Public Workers and the Government would cost the Treasury \$67 million, and adds to a Wages Bill of approximately \$744 million, out of \$2.4 billion economy.

Mr. President, the challenge, therefore, is for the public service to develop and to embrace the strategic dimensions of the new global environment. Sir, what I mean by that, is that the concept of technology must now become a focal part of the public service enterprise in terms of allowing this country to take advantage of things in the new international economic environment.

Sir, technology has spurred revolutions in information, communication and transport, therefore, the public service, like Barbados, cannot stand in isolation and must, therefore, develop a strategy to take advantage of information and communication technologies as a means to making them more competitive as a public service; as a means of making them more productive and taking advantage of the competitive and comparative advantages within the context of the Caribbean Single Market and Economy; within the context of the negotiations that would go on with our Hemispheric Partners; and in terms of our Economic Partnership with the European Union (EU) and other countries of the world.

Mr. President, what I would want to introduce to this debate is that the public service must be put on notice, like all of the other sectors of the working people of this country, that there are advantages within the global economy that we need to hold onto. We must spend more time looking at how we would exploit those advantages, rather than spending inexhaustive historical discussions about where Government should be as it relates to the historical movement of labour, capital, and things of that sort. We, in this country, do not spend enough time in looking towards the future. I am at pains to listen to the Opposition on these issues because they cannot come to the people of Barbados and declare what is their vision for the future. The Opposition Members have become like an incessant cacophony of nitpickers, for every time Government brings a policy decision, they complain that Government could have given the workers more.

Senate No.8(18)

3.00 p.m.

Wednesday, December 17, 2003

SENATOR G.P.B. NICHOLLS: Sir, every time this Government goes forward they criticise it. There is a challenge to the public service to embrace a strategy to take advantage of the new international environment. We cannot stand in isolation and public sector workers must not be encouraged in the thinking of excessive individualism because those are the kinds of responses that we get in debates like this.

As I said before, information communication technology has placed threats on the resources of our people. Natural resources are now under challenge from the biotech industries and commodities are competing with what technologies can now do in a cheaper fashion. Labour and the natural resources of our country are under threat from this type of industry. We have seen what computerisation has done to labour in the Third World.

How do we as a society intend to go forward into this new international environment? We have to take advantage of the information technology revolution and the things it portends as a labour force. These are the issues when we debate the amount of money that public servants should get which this Honourable Chamber and the Other Place should deal with and not the issues raised by the Opposition in this country.

What is the strategic dimension that labour should assume and embrace? These are the questions that I want this country to have a mature discussion about because we do not want a situation where we are trying to be a sophisticated domicile and our labour force is the most uncompetitive one in this region.

I agree with Senator Stuart that a lot of what we do as a small, open economy is largely dictated by factors outside of our control. It cannot be denied that there was fiscal indiscipline and recklessness by the Democratic Labour Party in the 1986 to 1994 Administration. Many things were done against the better advice of the public service of the day which caused Barbados to be plunged into the economic morass that came about in the early 1990s. Sir, they cannot say that the economy was on its way up when we inherited the Government in 1994 because it was because of their reckless mismanagement of the economy, they did not listen to the Central Bank of Barbados in terms of borrowing on the current account. They had a bullet loan from Japan and all the economic advisors told them what they were doing was madness yet the Honourable Senator Stuart would want us to believe that it was because of the international economy that there was a recession and that it was not the fault of the Minister of Finance.

Sir, all of a sudden the Democratic Labour Party cares about people in this country. I want to suggest that the record of the Democratic Labour Party in relation to how it treats workers in this country cannot be commended to the fainthearted. The Democratic Labour Party who are so caring today went to the Privy Council to justify the cutting of the salaries of the public workers and now they talk about a breach of trust.

Sir, they adopt a Dr. Jekyll and Mr. Hyde attitude on these issues because they are good about caring for people by telling them that if they vote for them that manna will fall from heaven and honey will pave the streets of Barbados, that all would be well but when it comes to policies that the Democratic Labour Party implement for the workers of this country and the position taken in recent history on all the issues, you will see the Dr. Jekyll and Mr. Hyde personality playing out.

Sir, the Democratic Labour Party voted against the constitutional amendment to stop the Government from

cutting the salaries of workers. The Democratic Labour Party cares for people but it cannot support the Resolution before the Senate for an increase in salaries but they say that the Barbados Labour Party cannot point to one piece of legislation passed for workers.

Sir, over 7 000 casual workers have been appointed in this country and it is wrong for the Democratic Labour Party to continue on this topic because they have no moral authority to speak about the condition and plight of workers. They speak about a breach of trust but when they had the opportunity to manage the affairs of this country, what was the relationship that existed at that time between Government and the workers?

Sir, we on this side will defend our record when we have to.

S8/Sequence 19

3.10 p.m.

Wednesday, December 17, 2003

SENATOR G.P.B. NICHOLLS: The Prime Minister said that the police is no special group, perhaps it might have been an unfortunate term of interpretation. The Prime Minister was saying that we must look to the public service as a whole and we must treat to every person who constitutes the labouring classes of this country with a sense of fairness in the deliberation of the affairs of this country.

Sir, the Democratic Labour Party, having no sensible alternative in the process, can nitpick about the Prime Minister saying that he does not like the police, that is not true. They would also point to a window that is falling off a police station and say "You see what I tell you, the Barbados Labour Party do not like the police". That is the excessive nitpicking to which I refer.

Mr. President, the Government of Barbados will continue its prudent economic management of the affairs of this country. They will commit themselves, as we have shown, by going to Parliament to amend the Constitution to ensure that Government will never reach into the pockets of the ordinary Barbadians to pay for the Government's mismanagement of the economy, a move not supported by the Democratic Labour Party.

The people of Barbados know that the new Barbados Labour Party is about moving this country forward, about creating a competitive economy that is sustainable and would do the prudent things of managing the fiscal debt. They would try to keep the level of inflation at a rate in which the wages and increases that we give the people of

Barbados outstrips the level of inflation, and that has been achieved since this Government has been in office.

Sir, we do not like to blow our own trumpet but it has to be said that this is the first time that salaries have successively been increased, notwithstanding an economic decline. In the year 2001 and 2002 when the economy of Barbados when through a decline of -2.8 per cent in 2001 and -6 per cent in 2002, the public sector workers of this country received a salary increase of 3 per cent in 2001 and 2.75 per cent in 2002; this is the record of the Government that is being chided for not liking workers.

Sir, the Democratic Labour Party is bitter. They are so bitter that they cannot recognise goodness, but we cannot fault them for this. That is the myopic vision that is mirrored there. I say that, because the Democratic Labour Party cannot agree that the Barbados Labour Party can do anything good for the people of Barbados. That is the bee in their bonnet. We cannot do anything good so the excessive nitpicking would continue.

Mr. President, the people of Barbados have the commitment that the new Barbados Labour Party will continue on the path that it set out in 1994 to restore this country to its rightful place.

Sir, like how I began my contribution, the Barbados Labour Party is aware that excellence is not a single act. Excellence is a habit because you are what you repeat.

I am obliged to you, Sir.

[Mr. President left the Chair. Her Honour Senator Dame Patricia Symmonds presided].

SENATOR B. R. COLLYMORE: Madam presiding officer, I do not think that under normal circumstances I would want to join this debate. A question of salaries revision for public officers is a subject with which I have had a long association, having participated in negotiation for all the occasion between 1961 and 1978 and 1986 and 1991 and led six of the negotiations on behalf of the Government. Sir, it is a matter which is charged with a lot of politics and a matter which leads to a division amongst the workers representatives.

The argument that Government has legislated, I think was in some way debunked by Senator Stuart because Parliament always legislates salaries. I cannot easily forget the two occasions when there was no hope of a settlement by negotiation and the Minister of the day had to go to Parliament. Those were the two occasions when I was involved.

3.20 p.m.

Wednesday, December 17, 2003

Senator B. R. COLLYMORE: From time immemorial, we have been seeking to say that the increases for pensioners constitute two-thirds of the rate of increases given to public officers. Whilst that might be true, it cannot rest entirely on that. I think that a pensioner who lives for 30 years after retirement is a special character. Even the \$20 that you say you are giving them is a minimum, and an extra \$5 that you give for those who would have retired since 1976, does not capture the real needs of these people.

In a debate here previously, I drew attention to the fact that two or three years ago, nearly half of the Government pensioners were not receiving \$500 a month in total payments, and 1.3 per cent of that would be so negligible that I think giving the \$20 is absolutely necessary. A person who draws a pension of \$1 600, whether it is a \$1 600 in pensions earned last year, or 20 years ago, will hardly get any more than \$20. This is why I say that pensioners need to be treated in a special way and a research effort should be made to look at this question of granting pensions.

Let me say that while sitting on the Committee that sought to revise the National Insurance Scheme (NIS), a recommendation has been made that in future, the pensions of national insurance recipients should be indexed, either to the upward salary increase over the previous year or years, or to the index of retail prices. I think the same should apply with modifications to Government pensioners.

Sir, I say with modifications because a lot of the Government pensioners, 1 800 of them at the time that I was involved in an exercise of this sort, are not receiving pensions from NIS, so they do not get two pensions. Therefore, the question of indexing has to be looked at with modification. You have to do something special for the persons who retired long ago, and if this is not done, you are not doing justice to these people.

A pension at maximum, what we call a reduced pension constitutes about 50 per cent of the last salary the recipient had at its maximum, but it may vary from between 15 per cent of the last salary and 50 per cent, depending on the years of service given by the person.

Therefore, a person who has only worked for ten years, even though he might have worked for a large salary, would only get 15 per cent of that, as a reduced pension. Sir, even though he gets a gratuity and even though all pensioners can opt for a gratuity, the value of that gratuity is minimal in the context of a person living for 30 or 20 years after retirement. It therefore cannot be fair to go on saying, give two-thirds of what a Government worker gets.

I am therefore making a case for a special study of pensions in the public sector and for some form of indexation of pensions in the future instead of these ad hoc arrangements which you can say, I have been involved in, but the position has got worst. There are more people who now live on pensions who had retired from the Government service long ago.

I know a Permanent Secretary who retired in 1968, who is still alive and another one who retired in 1970 who is still alive and they are not receiving \$1 200 a month in a pension. If they were Permanent Secretaries then, I think that their standard of living must have dropped considerably unless they had other sources of income, if they had to depend on a pension. These persons are not eligible for national insurance payment, having retired before they put in the minimum \$500 contributions to NIS. I know a committee is sitting of which I am a member, but I think I need to say this today for the benefit of pensioners.

Sir, the Leader of Government Business painted a picture of great concern in saying that the overall cost of Personal Emoluments and related expenditure could be as high as 52 per cent of the Government's revenue. In the last Estimates debate, I tried to make reference to this sort of possibility. Even so, if you place the Personal Emoluments bill at \$700 million, I am not sure that captures all the elements of transfers to Statutory Boards, or directed directly towards salaries or wages. If it is, the picture is not as bad as I thought, taking 52 per cent of your revenue, and bearing in mind that there are certain services that are inescapable, contributions to the University, supplies for institutions such as our health institutions, the fact that servicing our national debt has risen to a level that is not cause for comfort. When you add these things together, it is no wonder that you have to rely in great measure for development purposes almost entirely on borrowings.

Sir, borrowings only serve to increase the servicing of your national debt. Mr. President, having said that, we should be very careful in the level of current expenditure which we incur, especially on salaries and wages, not so much because of the levels of increases that are given to them, but to:

1. The increase in the complement of public officers.
2. The output of public officers.

Our Prime Minister said that he has a vision that we would reach the status of a fully developed country in some time frame which is not far away. This can only be achieved as one of the earlier speakers said, I think it was Senator Nicholls, if the public service buckles down to accepting the need for greater output and dedication. Sir, dedication and output from the public service cannot be expected in a vacuum. The public service has to be empowered. The public service has to have management. I

do not mean qualified officers. The public service has more qualified officers in terms of academic qualifications than any other organisation of Barbados, but it must be given its head. It must be prepared for the job. The whole area of governance needs to be revisited. Public officers could only have a higher level of output, if they are held responsible for what they have to do and that they know clearly what they have to do and are not sat upon in trying to do it. They must be given their head and that is the whole question of governance.

Sir, why should half of the Cabinet agenda be saddled with matters for information, including the minutes of meetings of Boards? Can some other arrangement be done, so that this would not take up Cabinet time? This is only one small aspect of the reform of governance which I see is absolute for a better level of output from our public service.

Senate 8, sequence 21,

3.30 p.m.

Wednesday, December 17, 2003

SENATOR B. R. COLLYMORE: I think that management includes management of personnel. In fact, management of personnel and supplies and the management of money are the greatest aspect of management. Apart from the actual formulation of methodology to ensure that you do the work you should do, you must have some control over these two aspects. If these are taken away from you, I no longer think that you would need to worry about a 1974 amendment to the Constitution in the context of personnel because if you have now established 7 000 casual workers, they now fall within the purview of the Public Service Commission and therefore Ministers should not have any direct say in their actual appointment. I think that this gives the opportunity for the passing back to the senior public officers the management of the public service insofar as they are able to do that.

We are looking at something else that is important for the future which was touched by Senator Nicholls in some way, that is, management collation and diffusing of information. Information technology has reached such a sophisticated stage that no decision can be taken without relevant information. You cannot decide in a vacuum or as a guess. So training of public officers in the use of the appropriate technology for information management is absolutely necessary for the future. I despair for the future if these things are not put in place in a hurry. This does not relate to the question of the conditions of service only. Conditions of service are absolutely necessary, but conditions of service without a demand for accountability and an opportunity to carry out your responsibility so that

you could be accountable is hopeless no matter how big the salary.

Throughout my sojourn in this Chamber reference has been made from time to time to the regrading and classification of public officers. I see with some pleasure from a statement that is reported to be made in the other Chamber that the report has reached some stage of finality after three years or more and I am happy that there seems to be something happening. However, I wonder how it is that there can be an announcement of what is in that report and Cabinet has not seen it, they have not discussed it, nor have the trade unions been given an opportunity to see it. That is the kind of situation I call part of governance.

A song and dance was made throughout the various discussions here in the Estimates for salary revisions about the last regrading exercise and that the people at the top got all the money. Now if people at the top got all the money we are still in a situation where the people at the top before taxes are getting a ratio of 1 to 5.5 to the people at the bottom before taxes, and after taxes it is still an average of 1 to 4. People at the top do not receive fantastic salaries in Barbados. If you want this management I am talking about and if you want to recruit and retain the kinds of people that are important to the future management of the public service, you have to do something about the top salaries. You can bring them in on contract, but you have to do something about the top management of the public service. You must not go away with the impression that all this money was given to them. A few people got money because of a strategic change where there were two Permanent Secretary level.

How could you have two Permanent Secretaries, one working in one ministry and the other in another and subject to transfer. If you take a man who is a junior as you would call him getting the lower salary and transferring him to the Ministry of Health, the hardest ministry to manage in Barbados, and say that he must get a lower salary than somebody who was in another ministry probably only by virtue of time of service receiving the higher salary. That brought the levels of Permanent Secretary to one and some people benefited. The greatest part of that benefit lie in the fact that the Government of the day carried back the classification to 1988. The outcome of that classification was \$11 million a year. Six thousand posts were regraded. I hear that 2 000 or 3 000 would now be regraded and 200 downgraded. I am waiting with bated breath to see the results of that. I would have a lot more to say on that then if I can.

In general, I am finding it not too difficult to agree to these things because what else could you do given the fact that the civil servants, in even accepting the proposals of the Congress of Trade Unions and Staff Associations of Barbados, would not be in any substantially better position.

It is a question of principle and it is a question of methodology. The actual level of increases spread over three years with three per cent in the second and three per cent in the third year is not bad at all. I would have demanded more in the first year if I was sitting on the other side but...

Asides.

SENATOR B. R. COLLYMORE: Yes, sometimes the Chief Establishment Officer takes a lead and gives them a thing to talk about. I do not see anything substantially wrong. I think the methodology might have had problems in the sense that there were sittings that did not take place. I am not here to criticise any public officer, but I think it might not have been a good thing to announce a settlement with one organisation before you got back to the others. I have been in the same position where I got an agreement with one but I did not say I had an agreement, I told them that I will take back their proposals which sound reasonable to the Minister and that gave me time to talk to the other person not only before the table but behind the scene as well. My colleague who is in charge is a protégé of mine and I have great faith in him and I am sure that he has done the right thing. I have no more to say on this except that I am concerned as a person who was involved in determining salary for posts for many years that we created a post of Senior Minister and nobody knows what the duties are. I have no quarrel with the person. She is one of the best Ministers I have ever worked with, but I think it is not right to spell out duties for a new post when it seems that such a decision might be made on strictly personal grounds.

I thank you, Madam.

SENATOR T. E. BARKER: Madam Deputy President, in supporting this Resolution and in urging all Honourable Senators to do the same, I have a little note of sadness because I know that we on this side would have sincerely preferred if there was total agreement by all the parties concerned. We on this side start, Madam Deputy President, on that premise that it is not in our interest not to have total agreement with all members of the Unions. I speak, Madam Deputy President, as a former president of a Workers group. We all wish that the matter could have been resolved but at the same time Government has a responsibility not only to the workers but to the country as a whole.

Senate 8 Sequence 22

3.40 p.m.

Wednesday, December 17, 2003

SENATOR T. E. BARKER: Madam Deputy President, I would want to cast my few remarks to set a macro economic setting for the whole of the public service. Madam Deputy President, we know how important, for instance, labour and energy costs are to our economy. We know how important it is that we control cost within the economy. We know, to our hurt, that we have lost some industries here in Barbados.

Madam Deputy President, energy cost in Trinidad and Tobago is much less than what it is here. We have had the pain of having some industries that were here being relocated elsewhere. Therefore, we know the whole question of cost is critical to our economy, given the fact that we are now operating virtually without borders, that is in relation to the Caribbean Single Market and Economy, the Free Trade Area of the Americas, the World Trade Organisation, et cetera.

Madam Deputy President, we have to make sure that our cost structure is such that our industries, whether tourism or financial service industries, must be given a chance to compete in this ever-changing global economy.

Madam Deputy President, it is, therefore, important that we look at our cost because in the final analysis, we need to have more of our people employed. On this side, we are pleased to note that we have brought unemployment down, impressively so, from the disastrous high level that was left by the previous Administration, to where, at some point, we were in the double digits but is now around 10 or 11 per cent, which we concede is still too high. Therefore, we must find ways of ensuring that all of our people have access to jobs.

It, therefore, means that we have to ensure that our industries, for example, tourism, is put into a position in which it could compete. Madam Deputy President, this Government has taken some rather bold steps and I refer you to September 11th, 2001, when, though no fault of our own, the world became a different place where, overnight in Barbados, we saw our tourism industry which has responded in a direct way to approximately 15 per cent, threatened in a very stark way, in events over which we had no control.

Madam Deputy President, this Government, of which I am proud to be a part, said that we were going to get through this crisis without any loss of jobs in the public service. We, therefore, sent a challenge to the rest of the economy that job losses, et cetera, would not be tolerated, and that we had to get through this crisis and leave our social institutions, our families and our society all intact. Therefore, we took a conscious decision, where we ran a higher deficit. It was not a decision that we had liked but, at the time, we felt that the situation was so critical that it had demanded of us to be bold, to be imaginative, and to be

creative in order for us to ride out the crisis and not to put us back into the position in which we were during the 1990s. At that time, everybody knew that it was a self-induced crisis.

Madam Deputy President, the point is that the then Government had taken a decision, not only to send home 3 000 workers but also to cut the salaries of every public servant. Madam Deputy President, we were faced with a similar crisis but we said no, we were not going to go that route but that we were going to rest on the creativity of our people and that we would have challenged them in order to get through this crisis, without any significant loss of jobs.

Madam Deputy President, we, therefore, incurred a higher deficit, encouraged a higher national debt but we knew that it was not sustainable. Yes, we wanted to get over a short-term difficulty but in the long run, we knew we had to restore the economy to equilibrium.

Madam Deputy President, we know that wages are approximately one-third of Government's expenditure, and, therefore, we felt that we had to exercise some measure of control. Madam Deputy President, everybody in this Honourable Chamber would agree that has some merit and, therefore, the Government did not simply say that it would have curtailed wages, knowing that curtailing wages would have had some inherent difficulties and, therefore, Government would have to cushion the effects of those difficulties by making significant changes to the incomes tax payments.

Madam Deputy President, that was important because in so doing, the employer, whether in the public or private sector, would be paying out the same wages but at the same time, the worker would not only be taking home the 2 or 3 per cent increase but in addition, would be taking home more money because of the changes in the income tax structure.

Madam Deputy President, when the allowance is being increased from \$17 500 to \$20 000, the worker is given a \$2 500 more tax-free income, which translates into \$500 per year bonus to the worker. Now that worker is taking home approximately \$40 more per month.

Madam Deputy President, I am sure that both ideas have to be looked at together, and I am sure that the Unions have done so. Therefore, do not let us look only at the 2 or 3 per cent increase but at what is also beneficial to the workers, especially as we know that the basic salary for most of the workers in the public service is approximately \$1 800 per month.

Madam Deputy President, the point is that most workers would have benefited from the income tax changes. Therefore, when one juxtaposes that against the

other, one would see that the settlement is not, in our view, an unfair settlement but is one that takes into account the fact that we must position our economy to take advantage of any opportunities that would have presented themselves, by making sure that the cost of doing business is not extravagant.

Senate No.8(23)

3.50 p.m.

Wednesday, December 17, 2003

SENATOR T. E. BARKER: Madam Deputy President, I hear talk about imposing a salary settlement. The impression was given that this was a wicked Government exercising a breach of faith by imposing a settlement when the fact remains that there was a settlement. All the Unions did not settle, but the last time all of them did not agree either because the Union that agreed in this settlement did not agree the last time. The Honourable Member made that statement but on reflection he would recognise that he went overboard when he spoke about Government imposing a settlement because if there was not an agreement we could not impose the settlement. Sir, it was an unfortunate choice of words.

Madam Deputy President, my view is that the settlement will not leave the workers any worse off. In real terms, the workers are better off because inflation has not been significant in Barbados under our watch because we have put in place policies to ensure that inflation is kept under 3 per cent since 1997.

I heard that in other places people are questioning the accuracy of the retail price index as a measure of levels of inflation. My own view is that the retail price index is a fit and proper measure for the rate of inflation and I do not think we will find a better measure. In order to design the index, 1000 households were sampled on a random basis. For one year, their expenditure was itemised and categorised and at the end of the year, the Statistical Department knew how they spent their money and on what items. This is how they were able to come up with weights which show that the average household spent one-third of their income on food. There is a law in economics which says that as your income increases, the proportion of money you spend on food declines.

The statement was made that the index does not include services, but that is wrong. It includes services, the second largest item in the index is medical and personal care and the third largest item is housing. Sir, all categories of expenditure are captured in the retail price index.

The point about the retail price index not capturing service flies in the face of evidence, we know that the retail

price index in its construction takes a basket of food, housing expenditure, personal and medical care and transport and measure them month to month. It shows that food shows the most volatility of all the items in the index. Because the price of one item has increased, it does not mean that the retail price index must necessarily increase to reflect that one item.

I have faith in the retail price index because I understand its construction and what it seeks to do and, in my view, it is a very good measure. It shows that in the last year the level of price increases in Barbados was under one per cent. We would not join those who would cast doubt on the validity and accuracy of the retail price index as a measure of inflation within the economy.

The Honourable Member who made the comments should know better because he was taught better than that. My contention is that the settlement will increase the real wage of the worker when we take into account the income tax changes as well as the increase of two per cent and three per cent over the years.

Unless there are wage settlements which increase the disposable income of the worker, there will be no economic benefit because he will spend more money and any more activity in the economy will result in increased growth. If we are to get employment down further, we have to ensure that there is growth in the economy.

I believe that this settlement will lead to growth without compromising Government's fiscal deficit because the time may come when we may have to go to the market to raise funds and unless we get our economic numbers looking better we may not find difficulty in raising those funds because the terms under which we borrow would increase.

Madam Deputy President, let us not forget that in 1990 when the economy was at its worst, we were in desperate straits and had to get money immediately. We went to England and borrowed and because of our economic circumstances we could only get a loan at 13.5 per cent, an almost usurious interest rate, which today still causes us problems. We do not want to run the economy that way again and unless we make sure that our ratio of debt to GDP comes back to manageable and sustainable proportions, we will end up in that position again.

We are glad that most of the Unions agree that Government has got to be focussed and sensible in its approach to wage increases.

S8/Sequence 24

4.00 p.m.

Wednesday, December 17, 2003

SENATOR T. E. BARKER: At the end of the day it does not make sense giving the workers a 20 per cent increase if the result is going to be economic chaos. It is like walking a tight rope. We have to weigh interest and balance competing demands but in the final analysis what is important is that our economy prospers.

It is important that we create more jobs in the economy and maintain a low rate of inflation and I believe that this settlement would go a long way in ensuring that this is so.

Madam Deputy President, I am sure that Barbadians understand the Opposition will have their say because they have to show that they are alive. We need to recognise that at the height of the crisis we increased salaries, we kept workers on the payroll and came out of the recession in two years. Last year, the Opposition in this Chamber criticised us for increasing the number of people on the Government's payroll. The record shows that the number of people employed went from 100 500 in 1993 to 130 800 in 2001, I am quoting from the Government Economic Statistics, October 2003, published by the Central Bank, 1993, 100 500; 2001, 130 800; 2002, 128 700.

During that period in the public service, over 30 000 jobs were created by the private and public sectors. The number of persons on the public sector's payroll went from 21 000 to 27 000, 6 700 employed by the State. We do not see any reason why we should apologise for employing people. The State must be used for economic expansion. If we acted, it is a benefit to the economy and society as a whole but we were criticised for doing so.

The point is, we recognise our responsibility to be the engine of economic activity in the country. The Government sector is an important sector in the economy. I must make the point that people in the private sector look at the wage settlement in the public sector and use that as a gauge, and I am sure that Sir Roy would agree with me.

We wish that things were different but we have to face the reality of the situation and in the final analysis the interest of the society and economy must take precedence over any other consideration. We have to make sure that our economic fundamentals are correct. We could only have done what we did in 2001, at the height of the crisis, because we ran a tight ship. We made sure that prior to 2001 that our economic fundamentals were sound. Our deficit was well within the acceptable limits.

Madam Deputy President, you can always break the law of economics but you cannot break the law of gravity. If you do not believe in the law of gravity, it does not mean that you can jump ten feet. However, the law of economic

justice states that you cannot pay out more than you can receive. We know that the International Monetary Fund would be out there watching us because we have challenged their unorthodoxy because they would have in the height of the crisis in 1991 to cut Workers wages and send home workers. We told them we were not going to do that because there is another way.

In a sense, we are pioneers. We are showing the International Monetary Fund that there are other ways of doing things but for us to be totally successful we require the cooperation of everybody in the grand effort of economic sustainability.

Madam Deputy President, I commend this settlement to this Honourable Chamber. It is our sincere wish that all sides would have agreed but in the best interest of this country, we are sure that in the long run we will all benefit from having a wise Government, a Government that has put the interest of the economy at the forefront of their deliberations.

I am obliged to you.

SENATOR Miss P. E. PARRIS: I rise to support this Resolution before this Honourable Chamber and to commend the Government for this Resolution and in so doing, I am doing it on behalf of the 27 000 public servants who would be the beneficiaries of this estimated \$69 million package.

I am not at all surprised that the Democratic Labour Party is not supporting this Resolution since their track record showed that they are about depriving civil servants of an improved standard of living. They are the ones who were responsible for inflicting that 8 per cent cut on the public servants. Sir, we saw public servants stand helplessly as their homes were being sold because they could not afford to pay their mortgages.

The Barbados Labour Party Government is about providing a better life for the people of this country and it recognises the significant contribution made by these civil servants. Madam Deputy President, the civil servants must be commended for a job well done.

We are all aware that we will have persons who would pull their weight and others who shirk responsibility, and this happens in any organisation. We have often walked into a government department and we have to wait a long time and we say that civil servants have bad attitudes.

We also find that some persons go to work late and take two and three hours for lunch. This attitude causes the kinds of delays that we are experiencing but the blame is put on the Government by the citizens of this country.

There are persons who would sit next to a telephone that is ringing in a government department and they would not answer it. However, I am appealing to these persons today to be responsible, to join hand and hand with their colleagues and deliver that high quality of service for which I know they are capable of delivering.

S8 :Sequence 25

4.10 p.m.

Wednesday, December 17, 2003

4.00 p.m.

SENATOR Miss P. E. PARRIS: The Democratic Labour Party stated in their Manifesto in May, and I think the Manifesto was entitled, "A Fair Share for All," that they would have done this and that, yet today, it grieves me to see that the Opposition is not supporting a Bill which seeks to benefit the postmen, the sanitation workers, and the nurses at the Queen Elizabeth Hospital who are delivering only quality care service.

While on the point of the nurses, Sir, it is not very often that we say thanks to the staff of the QEH for the work that they are doing and permit me, Mr. Deputy President, to thank the staff of the Accident and Emergency Department at the QEH because only yesterday, I had contact with that department when a colleague of mine fell ill. The quality of service that was given is cause for me to thank them.

Madam Deputy President, I support the Resolution before this Honourable Chamber and, again, I say it grieves me to think why the Democratic Labour Party, the Opposition who wants to give a fair share to all, cannot in all honesty stand here this evening and support the Resolution which would benefit these persons.

I am obliged to you.

[Mr. President returned to the Chair]

SENATOR I. St.C. LINTON: Mr. President, I stand here in full support of the Resolution that is before this Honourable Chamber. I want to express like others on this side, the fact that we would have felt better if agreement had come from the CTUSAB. I want to say on this point that because there has not been agreement on the part of CTUSAB and its Leader, Sir Roy Trotman, I have lost no faith in the Leader of CTUSAB in Barbados.

I said it already and I will say it again, the mature leadership of the CTUSAB under Sir Roy, places him in today's Caribbean, as the leading Trade Unionist in the Caribbean.

Sir, I want to respond to some statements made by Senator Stuart. The first is the fact that he speaks about the Government picking off the trade unions one by one and setting them apart from each other. I will state a bit of history here on this point. I will start from what Senator Collymore talked about, because he was an official, as he said, leading on to these matters. I was a member of the Committee of the Hospital Division of the Barbados Workers Union at that time and I remember that interim agreement. I do not know if Senator Stuart was on that Committee.

We were in the process after the first three-year Agreement to submit a new agreement in 1972 to the Government of Barbados at the time. Before we could have completed our proposals in the Division, we were called to a meeting of the Barbados Workers Union in its building on Roebuck Street, a Sunday morning, where I fought toe to toe with the General Secretary of the Barbados Workers Union at the time, the Right Excellent Sir Frank Walcott, one of our National Heroes, because it was my view that the trade union movement was taken over by a political party. And, rather than the trade union movement of the day having the interest of the workers at heart, in my view, it had more of the interest of the governing party of the Democratic Labour Party at the time.

Asides.

SENATOR I. St.C. LINTON: As I said, we had it toe to toe at that meeting on Roebuck Street where some of the guys whom I was supporting took me to task; but I was not afraid. When Senator Stuart was talking about dividing the trade union movement for the benefit of the workers during that period of time, we lost benefits which should have come to us in that Interim Agreement.

In 1972, what was left of the Agreement was a mere five cents by the hour, not 5 per cent Senator Collymore, that is 40 cents a day, \$2 a week. Between the interim period was when the large salaries and other conditions were given to the politicians and the Ministers, under the Democratic Labour Party Government. This satisfied me that I had taken the right stand.

I am going to skip the 1975 situation because Senator Collymore dealt with that. The Agreement of 1977 to 1979 of the BWU, and I am talking about the key scale now, the Government of day, under Tom Adams, offered 15 per cent in the first year, and 3 per cent or 2 per cent in the second year. The General Secretary of the day blocked Roebuck Street and then met with the Minister of Labour in Geneva, Lionel Craig, and agreed for the second year of 2.5 per cent. Do you know what went by? The then Prime Minister and Minister of Finance, the late Right Honourable Tom Adams, offered the Transport Board workers pension status and it was refused. That is what I

call taking over the trade union movement by a political party. I remember that clearly.

SENATOR SIR ROY TROTMAN: Mr. President, I hate to interrupt the Honourable Member but, I rise on a point of order. I think that Senator Linton is misleading this Chamber. In fact, it was in 1972 that I, leading the negotiations on behalf of the Barbados Workers Union, negotiated pensions for the workers at the Transport Board. I would wish the records to clearly indicate that.

SENATOR I. St.C. LINTON: Let me continue to make the point. In 1991, when the infliction on the workers took place, I had personal family friends who were working at the Transport Board that were severed after working 34 to 36 years.

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4.20 p.m.

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SENATOR I. St.C. LINTON: They did not get a single cent in pension after working all their life at the Transport Board from the time it started in 1955. Furthermore, their conditions of service made them eligible for four weeks per year severance payment, but that was reduced to two and a half weeks in the first year, three weeks in the second year and three and a half weeks. In other words, they did not get what they were due in severance payment. The Senator can challenge me on that.

SENATOR SIR ROY TROTMAN: Mr. President, I rise on a point of order. I do not like to do it but I have been involved in the negotiations with the Transport Board and I do challenge it because it is inaccurate information. For the sake of clarification, Mr. President, let me repeat that pensions were negotiated with me leading in 1972. Again for the record let me indicate very clearly that we agreed to have severance on the basis of four weeks for every completed year of service and that those persons who got severed late in the 1980s were severed before there was any legislation to reduce severance. The reduction of severance came in the 1990s. It may very well be that people who did not get severed in the late 1980s but in the 1990s might fall into the brother's category, but I do not think that he should seek to make it a political point but should seek to come at variance with what the facts are.

SENATOR I. St.C. LINTON: Are you saying to me...

Mr. PRESIDENT: Please address the Chair, Senator.

SENATOR I. St.C. LINTON: Mr. President, I know people who worked in the Transport Board as conductress

and inspectors for 34 and 36 years who, if I could bring them right here today, did not draw a cent in pension nor is drawing one up to now. That is a fact. I know for sure that after those people were severed it was then that status was given to all of the Transport Board workers after 1991.

I heard Senator Stuart talk about hijacking, as I would say, one by one. I hope that the trade union movement has learned a lesson because I remember clearly that the Right Excellent Sir Grantley Adams in the 1950s made a statement that the trade union movement should not be involved in Government and I am happy to know that the electorate has decided that. The trade unions must remember that the electorate has said to them that their place is to be the Workers representatives, and I hope they would ever remain that way.

Mr. President, the 1991-1992 situation was not only an eight per cent salary cut, it was a five per cent stabilisation tax, mortgages went up to 11 per cent and workers had to pay their own severance by 0.5 per cent. What I am saying to this Honourable Chamber is that some of the workers lost their jobs and some lost as much as 15 per cent of their earnings by the various measures that were instituted in 1991.

Mr. President, let us look at another situation. The Barbados Labour Party in 1982 under a standby arrangement with the International Monetary Fund - because we had some very bad weather and our production of sugar was reduced, and a member of the Democratic Labour Party said in the Other Place that a loss of \$42 million in sugar earnings was nothing - gave the best settlement in the history of Barbados to the workers particularly those in the Z scale. I remember it clearly. We now have down to Z38 in the Z scale, but there was a Z39 and Z40. The maids, the women, were in the Z40 scale. We had a situation where a man doing the same job as a woman was getting a different pay down at the bottom of the Z scale.

I also heard Senator Stuart talk about the 1976 situation when a former member of the trade union became a minister or whatever but I want to remind him about 1986. In 1986 the whole trade union movement, even the doctors, went into Queen's Park and brought down the Government of the day under the leadership of the former Prime Minister Bernard St. John now Sir Harold St. John. The whole trade union movement was taken over by a Party to bring down a Government in 1986 when the foreign exchange position was \$313 million, and the Democratic Labour Party inherited a good economy. I attacked them left, right and centre during that campaign when they brought out the Manifesto that they repudiated when the Prime Minister in 1988 said that the economy of his own party was on the rocks.

Senator Collymore spoke about the regrading exercise but not a fellow in the Z scale and the lower scale got a single penny out of that \$33 million, yet Senator Stuart is going to come in here talking about people at the bottom of the scale. Let us be serious. From 1995 to 2005 the workers of this country got an increase in wages every single year even when the economy was not performing as it should.

Senate 8 Sequence 27

4.30 p.m.

Wednesday, December 17, 2003

SENATOR I. St.C. LINTON: Mr. President, I would like to know how could there be an umbrella trade union movement and one of its members is constantly walking out from under it, and negotiating on its own. Who is hijacking whom? And the leaders of the whole trade union movement in Barbados are members of the Democratic Labour Party.

Mr. President, I want us to speak to this matter of what is truth in this country. Sir, I am one who has supported the trade union movement in all of my working life. Even when I had to take them to task at general meetings, I was not afraid to do that, but the trade union movement in Barbados today is matured and responsible. Sir, as I have said, it is unfortunate that we did not have a total agreement because if I read the picture, it was possible to have had an agreement across the board.

Mr. President, I was concerned when the announcement which came across from the chief negotiator in the public domain because, in my view, negotiations were still in process with the Congress of Trade Unions and Staff Association of Barbados (CTUSAB).

Mr. President, I would, therefore, hope that in the future, regardless of which Government is in office, that the trade union movement would hold a position. If they have a fundamental or a principal point, they should hold together. When they hold together and meet with representatives of Government, someone has to give in.

Mr. President, when someone has to run from under the umbrella, as has been the case for a long time - when it was not the National Union of Public Workers, it was the Congress of Trade Unions and Staff Association of Barbados (CTUSAB). Therefore, industrial relations in the future cannot go on like this. If trade unions have a principled position, then let them hold onto it. If the Government has a principled position, they too must hold onto it, and, therefore, someone would have to give in, in the interest of the country.

Let us not charge the Barbados Labour Party Government for picking off anybody, but charge those persons who have run from under the umbrella. In my view, in a situation where I believe that with holding the position a little longer as an umbrella body, we could have come to an agreement because I see no big divide. The umbrella organisation was asking for 11 per cent over the three-year period. The three-year agreement was agreed upon, and as one who has worked in the public service, I do wonder what the disagreement was about. Sir, if I were sitting at that table, even though I am a supporter of the Barbados Labour Party's Government, nobody could not have come to me with a 2-2-3 agreement; it would have had to be a 3-2-2 agreement.

Mr. President, I want to say to this Honourable Chamber that I hope everybody has learned a lesson this time around, that is, the Congress of Trade Unions and Staff Association of Barbados (CTUSAB); the National Union of Public Workers; the Government; the negotiators; and everybody else. Let me say this, there is not one soul in Barbados who does not want to see Barbados succeed in a world that is becoming more difficult.

Mr. President, when I could have listened to an economist who has a first class degree, telling me that if the Government gives up \$30 million in income tax rebates and, in three years' time, offers some \$65 million in wages, while facing a situation in world trade where tariffs are to be removed, that an economist could tell me that Government would not lose any revenue - What madness!

Mr. President, I might not have been to many schools, only my Wesley Hall (College) Boys' School on King Street but life's experiences, allowing the abilities of persons such as Senator Trotman and others to rub off on me, and allowing the principles of Christianity in my bosom, have all helped me to understand things that are beyond my limited education. I am simply saying to this Honourable Senate and to those in the Other Place, that it is now time that we stop playing politics for the sake of politics. It helps neither the county nor the workers.

Mr. President, the Honourable Member comes to this Senate and talks about not supporting this Resolution, which is simply flimsy talk to set off one union against the other. Sir, in 1986, the Honourable Member had the whole trade union movement in the Park, including the very doctors. Mr. President, with the kind of leadership that the trade unions have today and with the kind of leadership of that gentleman, Senator Trotman, I am sure that this situation would not easily occur again, unless there is recklessness in managing the economy.

Mr. President, when the Democratic Labour Party, under its Leader, was calling for more salaries, something came to mind. Mr. President, do you know why? The

Democratic Labour Party would like to see this Administration going down the road that the Democratic Labour Party went during 1990-1991 so that they would be able to say: "Ah, it has happened to me and now it has happened to you."

Mr. President, never! As long as the Prime Minister and Minister of Finance is alive, and those who would follow him, this Party would never go down that road. We will not cut salaries; send home workers by the thousands; cut their severance; make them pay their own severance or increase their mortgage rates to the extent that they have to return their cars or to sell their houses.

Mr. President, as much as this Administration has put a lot of medicine in place for the workers of this country, that wound has not been healed. It was cut too deep and will still take time to heal, but the Democratic Labour Party, including the seven down there and the two here, would want this country to go down that road.

Mr. President, they cannot get it to go down that road because the stewardship of the economy in this country is in the hands of a great Prime Minister.

I thank you, Mr. President.

Senate No.8(28)

4.30 p.m.

Wednesday, December 17, 2003

SIR ROY TROTMAN: Mr. President, it was not by design that I chose to catch your eye after Senator Linton but this is not a bad time at which to speak. I wish to make some contribution to this debate and I crave your understanding if I do not seek to abuse my position of privilege to negotiate in public. If I do not endeavour to speak with the strength that some of my colleagues have used, I hope you would understand that it is out of respect for the process of collective bargaining and not because I do not have more to say on the issue before the Chamber.

I am not anxious to speak to the figures put forward or how they have been varied within the process but I wish to speak to the process itself because I think it is in that area that I can speak with a certain level of general application towards what I consider to be a very serious matter of how we should address the future.

I wish to make some fairly general observations and I urge especially at the level of this Chamber that we would have at some stage a situation where, however strong persons feel about their attachment to individual Parties, it would not permit this institution not to recognise that our major role is to reflect a legislation from the Other Place

and bring the level of more careful and astute thinking to the process that would ensure that the filtering process makes it absolutely certain that what comes out at the end is a distillation of the wisdom that is supposed to be in this Chamber and not necessary a repeat of what happens in the Other Place.

If you would permit me, Sir, I wish to say that historically, collective negotiations were conducted with the Chief Establishment Officer, about 12 different unions and each one had to be separate. Senator Collymore used to do a lot of these meetings and would meet one on Monday morning, another in the evening and it went on this way for two or three weeks before he could satisfy himself that all parties had met and that they got the same message. When there was the crisis in 1991 we decided that we were going to have a coalition which subsequently became the Congress of Trade Unions and Staff Associations (CTUSAB).

One of the first things we tackled was the question of one union after another approaching the Government. We reached an agreement in September that year that we would have one set of negotiations. Regrettably, we also reached an agreement within our constitution that the rule of unanimity had to apply. We thought that in applying the rule of unanimity we were merely reflecting the position of our political leaders in the Caribbean who, in the establishment of CARICOM, also have the same rule of unanimity which determines that no decision could be made by one unless all were equally in agreement. It is something one finds oneself having to do when an institution is in the young stages and has to build confidence.

I do not think I take any tales out of school when I tell you that when we met in 1991, we were not a group of people given to meeting every day. The fact that Senator Collymore had to meet each one separately reflects the thought that there were differences and variances in positions being adopted. In fact, during those difficult times at least two occasions I offered to step down as Chairman of the body because I wanted to be sure the body would succeed rather than be in a situation where the body would hobble along when I was involved in the political exercise as a member of the Lower House.

Mr. President, I would wish to say and perhaps Senator Linton might care to recognise that the public and the electorate did not say to me or to any of those people I know that we were not supposed to be politicians. In fact, the electorate was very dissatisfied that we discontinue offering ourselves to be the representative at the political level. I wish in passing to make the point that I do not hear any Honourable Senator or Member of the Lower House say that business people cannot be Members of Parliament or that people who have other interests cannot be Members

of Parliament but every time a trade unionist wants to come forward to represent his country at the highest level we get people who say nonsense, such as people who say that trade unions cannot represent them.

Mr. President, had I remained a candidate, I would still be the representative today of St. Michael's Central because as recent as two days ago when I was there, they asked why I did not come back. I say that to make the point that we must not mislead ourselves into crying down those who have risen from among us by arguing that they cannot speak on behalf of the working class people because they themselves are working class.

SENATOR I. St.C. LINTON: Mr. President, on a point of elucidation. I have couched it in a situation where some of the trade unionists allow the Party to take them over and put the Party before the workers, that is the context under which I spoke.

SIR ROY TROTMAN: If that is what Senator Linton meant, I understand that, but he could not refer to the last group who were trade unionists and who are still trade unionists now. If I said I were coming back to politics next week, I would expect him to say that he was pleased that I and other trade union leaders are ready to take their position at the centre of decision-making for the country of Barbados.

Mr. President, I wish to make another disclaimer in the item before the Chamber. Neither CTUSAB nor I am responsible for the delay that people claim they have in receiving their wages and salaries. It is unfortunate that the Government chose a day after I returned to the island to bring the matter before the Chamber but that has nothing to do with me because Government has not involved me in the exercise. They went ahead without having any consideration with me. I do not want anyone to get the impression that it has anything to do with waiting until I came back from overseas on duties. Those who have not got their money for Christmas must not any longer believe in the myth that is being spread that Leroy Trotman or CTUSAB was keeping back the exercise.

S8/Sequence 29

4.50 p.m.

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SENATOR SIR ROY TROTMAN: I just want to make that point, Mr. President.

Asides.

SENATOR Sir Roy TROTMAN: I think that most people have already accepted the point that the Congress of

Trade Unions and Staff Associations of Barbados has not agreed with the Permanent Secretary in the Ministry of the Civil Service in the matter of the wage settlement.

Sir, what most people may not know is that the Congress of Trade Unions and Staff Associations of Barbados does not challenge, I repeat, does not challenge the right of the National Union of Public Workers to negotiate with the Government and, indeed, to reach an agreement. We do not challenge the settlement because, as I said before, we have the rule of unanimity and some time after 1992 the National Union of Public Workers stated to us that they were of the view that since they were the largest single public service union they should negotiate by themselves rather than negotiate within the umbrella body. They have made that as a public position and we respect that.

Sir, we insist that they should have their freedom under the International Labour Organisation Conventions 1987 and 1988 to be respected Convention 1987 is the right to freedom of association and Convention 1988

is the right to bargain collectively. If they say that they want to bargain by themselves, I do not have a right to tell them that they cannot negotiate separately and on their own account.

I think that it is regrettable that they chose to do it and I am still saddened by the fact that they chose to go in that direction. I am so saddened by it that I told them that if the problem is that they want to lead the negotiations I was quite prepared to stand down and let them be the ones to lead, because at the end of the day it is what the organisation as a body does and not what the leader does.

If the group comes together and the group takes a common position, the person who enunciates that position cannot be as important as the position that is being put forward. I said that to the National Union of Public Workers more than once and I say it now publicly that if that is the problem with all the difficulty that I am prepared to stand aside.

I do not believe that the Congress of Trade Unions and Staff Associations of Barbados has a problem with being able to understand that we cannot present the best position for the workers of Barbados if we are divided among ourselves. We understand that and we have been trying over time to correct that difficulty, whatever it may be. I do not see it so much as being divisiveness but I see it as perhaps a matter of focus.

Sir, what we have been doing in previous negotiations is that we have assigned somebody as a liaison officer to go to the negotiations to be present and to be able, therefore, to work together. When our group meets,

we have been in the past able to talk about what we were doing so that if one side wanted to reach an agreement and the other side was not ready, at least we made one another aware of what was happening.

Mr. Speaker, this is a position that took place during the last negotiations when we had the 3 per cent and 2.75 per cent increases. We were in full discussions through to the end when some of our colleagues, two unions, said that they wanted 6 per cent and nothing less. Sir, we were at 5 per cent but the general feeling was to see what more we could get and it was by negotiation that we were able to get beyond the 5 per cent. We got to 5.5 per cent and the Government that they were not moving. We said that we were not going to move either but because we were willing to compromise, we thought that 5.75 per cent was not a major issue for us, for the Government to support it and not to go to 6 per cent because it has to do its credit ratings and we thought that a quarter of 1 per cent was not a major issue. Mr. President, we still feel so and we knew what the public's perception and how some people felt.

I think that when our principle is at the centre of what we do, there cannot be any question as to the fact that we could stand up privately or publicly and defend our positions because we speak to process. Process demands that we act in such a manner that we are fully transparent.

Sir, if I were buying something from you, I may take the very first price that you say that it could cost because it is my personal matter: I am buying for myself and I will make a decision whether I am going to buy or not. However, in these negotiations it was made perfectly clear by us in the Congress of Trade Unions and Staff Associations of Barbados that we were not speaking for ourselves as individuals nor was I speaking as the leader of the Barbados Workers Union. I was speaking as the leader of a congress made up of nine trade unions, each of those unions being a separate and independent trade unions with their own Executive that had to consult on every occasion. Nobody could come to us today, Wednesday, and say that, "We have this proposition for you, let me have your reply by 8 o'clock tomorrow morning," because a process of consultation would not permit for that kind of time frame.

Mr. President, when we met with the Ministry of the Civil Service, on the first occasion they presented what the position of the economy was, a very difficult presentation, let me hasten to say. We met the second time and the Central Bank gave the full monetary position of the country and we were quite satisfied. At the end of it we said that we now know where Barbados is positioned in terms of the rest of the Caribbean and in terms of its fiscal and monetary capabilities over the foreseeable future, now please make us an offer.

Sir, it was at that time in the last fifteen minutes of the second meeting that we were invited to consider a three-year agreement. My position was, as it still is today, that the length of an agreement will vary from collective to collective bargaining. It is based on the discretion of the negotiating parties. It is not the length that matters, it is the quality of the agreement that is of importance.

I publicly said, even though they were some other people publicly saying the opposite, that insofar as I was prepared to advise my colleagues, I was in favour of a three-year agreement and I undertook to deliver a three-year agreement because I thought that was a satisfactory arrangement, except that I was of the view then, as I am of the view now, that the public service of Barbados has got accustomed to a two-year agreement and if we were going to move from a two-year agreement to a three-year agreement, there had to be something within that contract that would make it visible that there was a benefit not merely for the employer but for the emerging from that extended collective agreement.

Mr. President, the language that I used in my discussions with the parties concerned was that there has to be a sweetener. My understanding was that there was going to be a sweetener. The other thing that I did beyond that was to say to the negotiator on the other side that he has to respect that I have a consultative process that has to be entered into and please give me enough time to go to my colleagues and please accept as well that we would have to modify our own proposal upwards.

Mr. President, what do I mean in saying that we would have to modify our proposal upwards? The truth was, our original proposal was for a 7 per cent to the people at the level of Permanent Secretary and a 10 per cent for persons at the level of maids and porters.

S8 : Sequence 30

5.00 p.m.

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5.00 p.m.

SENATOR SIR ROY TROTMAN: We were of the view that since that was submitted for a two-year agreement and constituted a proposal to be negotiated, that the Government now wanted a three-year agreement. We had to submit a revised proposal that would reflect a higher offering and that was acceptable to the party on the other side, which was a position they fully understood would have to be put.

I believe that they also understood why we wanted to have a graduated range from seven to ten. We are of the

view and CTUSAB believes this, that the levels of earnings at the bottom are in need of upward adjustment from time to time, if we are to remain true to our commitment, to have a more equitable society.

I not prepared to negotiate what I am hearing about taxation. I have already given that commitment, but I merely say that we are trying, as a nation, to have a society based on social equilibrium to the extent that can be established within a democratic open society. If we are going to create that kind of society, even though it may have the implications for the ratios between the top and the bottom that Senator Collymore spoke about, we still have constantly to look at that issue. There is no point fully educating a body of people, or having that body of people being exposed to all of the benefits that come from westernisation, and then say to them that they have to remain culturally, economically and financially at the bottom of the ladder, when in fact, we know that expectations would want them to rise beyond those levels. Sir, we have submitted, but regrettably, we have not been able to get a full agreement on the movement towards a graduated increase in across-the-board settlements. It does not mean that we do not feel, fundamentally, that when once you apply a percentage of 3 per cent at the top and at the bottom, it means different things when you use the multiplier. We have to bear that in mind, notwithstanding the tax implications because, as Senator Barker said a few minutes ago, the reality is that although you might spend one-third of your earnings on food, according to...whose law again, Senator?

Asides.

SENATOR SIR ROY TROTMAN: Thank you. ...Engels law. Sir, Engels would only apply up to a certain level. Beyond that level, you cannot spend more on food than you spend already. The poor person who uses everything on consumer items, food, rent, bus fare and medicine, you cannot tell that person that he or she has discretionary income, whereas at a higher level, there is that discretionary income. If we are going to get the equitable society we speak about, we are going to have to try, stage by stage, to move more and more people into that area where they can, in fact, have discretionary income. This is what the trade union movement has been endeavouring to do.

We do not seek to do that by having strikes all over the place every day, because, we are of the view that different approaches can be used to get us there. Part of our problem is that in our effort to do so in the most mature manner, we find ourselves between a rock and a hard place, the rock being the Government and the hard place being the Opposition. When the Opposition is on one side, they say one thing.

In the 1991 period, the Barbados Labour Party was the hard place, the Opposition, and they laughed us to scorn, so much so that we had to go to the office downstairs of this building, and ask them to tell us what they would recommend to the coalition that would help us out of the crisis. When they said they did not have any answers, we asked them to shut up and let us get on with the business of trying to save Barbados.

The same Labour Party was saying that Sandiford did not need to bother because when you have a deficit going up to 9 per cent it was no big thing. Mr. President, now we understand that it must not go past 2.5 per cent, so you are always between a rock and a hard place. We have to be careful and the public has to be careful when they listen to these politicians and bear in mind what the politicians will do. Their first and foremost objective is to get reelected for their parties and, unfortunately, the public suffers sometimes in the process.

Asides.

SENATOR SIR ROY TROTMAN: Even if he is a member of the trade union.

Please let us remember, Mr. President, that there is this one trade unionist who, in 1991, led the march, even though he was a member of a party, voted against a Government having just left the Government Party because in his view that Party was not able to satisfy the vision that he had for the labour movement, and the advancement for the people of Barbados.

Therefore, there are trade unionists who are trade unionists first and practising politicians afterwards. I think it is understood that there is nothing wrong with being a trade unionist who is a politician. I merely wanted to have the records reflect the particular issues that we have spoken about.

Why do I take the time to speak about this? Because, in the same way I am suggesting that the NUPW exercises its right to associate with the negotiations by itself, rather than with other unions, and it must be respected for it, the Government has to respect the fact that CTUSAB is the most representative trade union body in Barbados. Sir, while saying this, I recognise that the NUPW is large, and that the BWU is not small in Barbadian terms but CTUSAB embraces both of them.

Therefore, if we embrace both in CTUSAB, then, we have to be the sum of the individual parts. If we are the sum of the individual parts of which the BWU is the biggest single part, then we have to be the most representative organisation. If the Government respects it and the National Union of Public Workers had its right to bargain collectively, then the Government had an equal

responsibility to recognise and respect CTUSAB and its entitlement to negotiate and to reach a settlement.

Therefore, Mr. Collymore is correct that, in the old days, we would know that one group reached a level of accommodation and we would hear, because we hear everything that happens in Barbados, but that would never be put out as an agreement until there had been discussions. Sometimes individual unions would go to other unions to see whether there could be an accommodation, in the interest of reaching a settlement. In fact, the last time around, the party to the 3 per cent and 2.75 per cent were having discussions, even as we were having May Day celebrations in the Park, when the Prime Minister, you may remember, joined with us to sign the last Protocol. We were having consultations then, and that was when we were already at 5.5 per cent, just a short distance away from the 5.75 per cent.

Regrettably, this was not so on this last occasion. Before we were able to have our consultants to have the third meeting, we heard on the radio that there had been a settlement, and everybody was happy and clapping their hands, and on the way to glory.

Senate 8, sequence 31,

5:10:14

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SENATOR SIR ROY TROTMAN: Then in an effort to recover, we immediately thought we better write a letter to say this is our modified position, but we had been unceremoniously debunked from where we were and put into the wilderness. We think this is most regrettable and we are hopeful that all of the parties would understand that something very serious must happen.

I believe that the Congress of Trade Unions and Staff Associations of Barbados has called for an apology and I think that it is forthcoming from what was reported to me, but public wrong cannot be satisfied by private tenet which is one of things we have to be very conscious of. We also have to be very conscious of the fact that nobody has been playing musical chairs as I heard we were accused in another place of doing, but words can come very easily to people if they want to denounce or denigrate.

In my view, the reality was that in their judgement the National Union of Public Workers thought there was a settlement and they decided to take that settlement. I would like to believe that what would happen in the future is that the two parties will do the work. I would hope that I would be in a position to have some further discussions with "our cousins across the pond", as I refer to them and that we will be able to devise the kinds of mechanisms that will help us

to be able to move towards an arrangement where this kind of situation does not repeat itself. However, in the unlikely situation that it does again appear, we would like to suggest to the protégé of Senator Collymore that he would impress upon his principals whoever that protégé is, in this case it is a he, but I do not expect that in the scheme of things a Permanent Secretary will remain in that position always...

Mr. PRESIDENT: Senator Trotman your time is about to expire, could you wind up in the next two minutes please?

SENATOR SIR ROY TROTMAN: I would hope that the Government will understand that if we come to that position again that it would recognise that we have precedent for a kind of approach that is much more sound and much more mature than the one that was taken on this particular occasion.

You have been very gracious to me, Sir, and I do not wish to over-extend my time but I wish to say that I agree that we have to look down the road at organising some new approach to pensions. I think that we should take note of this and ask that the committee which is looking at the possible indexation of pensions would speedily come up with their recommendations so that this group of people which some of us might be joining fairly shortly is taken care of before it is too late.

I thank you very much, Sir.

SENATOR Miss S. C. V. HUSBANDS: Mr. President, I rise to support the Resolutions that are before this Honourable Chamber where we are looking at the salary increases for the public servants.

Mr. President, I consider these discussions to be very serious deliberations, therefore, I think it is very important for all Barbadians to understand that at a time like this prudent fiscal management of our economy is imperative, that at all times we must seek to maintain the balance between our ability and the needs that exist around us and that we must take cognisance of the setting within which we are doing negotiations and making decisions about funds and resources.

Mr. President, I found it very distasteful to hear Senator Stuart referring to certain things today pertaining to these salaries negotiations and I was disturbed for a reason. I felt that the fact that we had experienced what we had experienced back in the early 1990s that led to what was going on in the economy... Yes, we had situations that were occurring externally, but if you do not have sound management within, you cannot manage those storms properly. This is what happened back in the early 1990s which resulted in the 8 per cent cut in salaries to Barbadians that sent ripples right through this nation.

People lost a lot during that time, it was extremely hard, people who would have been climbing and moving up socially and economically then found themselves sliding back by losing their homes, their cars and their dreams.

At that time I was not affiliated with any political party but I remember that prior to the hosting of the eight per cent wage cut, there was no talk about anything being wrong in the economy, so there was a lot of spending. Even parliamentarians' salaries were raised, but then within a few months we heard that there was an eight per cent cut and I consider that to have been a slap in the face of Barbadians. I was disturbed to hear him refer to the situation where we are looking at the position of Senior Minister and calling it a slap to the Barbadian public for that to be done. I really think it is not in good taste for them to even suggest that what is happening here constitutes something similar to what they did to this country at that time.

The other thing that I am really concerned about is that when you listen carefully to what people are saying in terms of salaries and so on and not wanting to look at it within the context, it would seem to suggest that they want to push Government back into a position where it is not managing its affairs properly to be able to weather any upcoming storms which we are likely to have when the full impact of globalisation and trade liberalisation hits us in 2005. This speaks of what I call a "mash-up and buy-back culture" because I have heard it said repeatedly that if they were faced with the same situation, they would do the same thing again.

Sir, I would hope that Barbadians are very careful in listening to the statements that people make because for us to manage our affairs in the way they were managed at that time and to take up a position that we did nothing wrong and that we would go back and do the same thing again does not inspire confidence in the average person that they have the ability to lead this country, certainly not in terms of what we have to face with globalisation. With globalisation we need to have sound fiscal management, we need to have vision and we need to be in a very safe pair of hands, and I believe that the Barbados Labour Party offers that.

I am also very concerned that the Senator could state that he does not believe in the social partnership. I am grieved to hear that he could even make such a statement when in truth and in fact it speaks of the maturity of the Barbadian society, the private sector, the public sector and the trade unions. I want to honour the Honourable Senator Trotman for his foresight and vision in being a part of that social partnership because I believe that it is going to redound to the benefit of every single Barbadian and I want to explain why.

Earlier Senator Stuart spoke about people doing divide and rule. In talking about the social partnership, he is seeking to do that same thing, divide and rule. Mr. President, in order for workers to have income to take care of their needs, to look after their children, to pay their rents and to get food, they need to have jobs, and for them to have jobs, we have to have businesses that are able to provide employment. In order for Government to have income to be able to provide services and to provide things of the common good for all Barbadians, especially to aid the people who are poor and to provide the roads and so on, there has to be taxation. For there to be taxation, there must be jobs and people must be earning. For there to be jobs, there must be companies that are doing good business. In truth and in fact, the nation cannot survive without its businesses or without its workers. For us to behave as though those three parties should be at variance with each other, to me, constitutes a level of immaturity that we cannot entertain in this day of 2003.

We need to recognise that the only way forward for Barbados is through collaborative effort. I really want to honour the trade unions for being able to see that and at the same time to be able to walk a very thin line between that partnership and ensuring that they safeguard the rights of workers and the ability of the workers to advance within the social partnership. I want to commend Senator Trotman for the line he has taken in terms of managing that fine line.

Senate 8 Sequence 32

5.20 p.m.

Wednesday, December 17, 2003

SENATOR Mrs. S. C. V. HUSBANDS: Mr. President, when we talk about an economy and about fiscal management, it is important that when talking about salary increases, we bear these things in mind.

Mr. President, I am of the view that public servants deserve more. There are many public servants who work very hard. If one looks at the track record of the public service, one would see the number of outstanding things these people have done in raising Barbados in terms of its international image. When one looks to things such as family planning, health service, the Youth Entrepreneurship Scheme, and a number of other things that have been done by the various public servants, one would see that they have caused Barbados to be able to stand proud because of such work.

We have had invaluable contributions by teachers, police officers, postal workers, sanitation workers, et cetera, who have all contributed significantly to the development of this country. Sir, they deserve more but the truth is that what people get has to do with what is

available. We cannot get beyond what is available to be shared, therefore, in many instances, people are working on the basis of service and sacrifice. Many public servants deserve even double what they are getting.

Mr. President, I want to commend the point that was made earlier today, which is, that if we are to attract and to preserve good public servants with the kind of intellectual capital that is needed to go forward in the future, it is important that we are able to reward them accordingly. Therefore, I think it is important that that is acknowledged on all sides. It should also be acknowledged that any increase given, must, first of all, be attainable, affordable and sustainable.

Therefore, we need to understand the context in which the negotiations are taking place so that we could make sensible decisions. We cannot give away the shop in Year One, and then comes Year Four, the country is broke. Therefore, in talking about a fair share for all, by the time we come to Year Four, a fair share for all would have meant that there would be nothing, if we were to destroy what was going on in the shop. Therefore, I think it is very important that whatever we do is sustainable, affordable and attainable.

Mr. President, we have heard a number of discussions on the situation with regard to the Senior Minister and to his credit, the Honourable Senator has said that he has no problem with Dame Antoinette Miller being placed in the position but that he was questioning the whole idea why a Senior Minister should be getting the salary that is equivalent to that of a Deputy Prime Minister.

Sir, when we are talking about rewarding such persons who have served at the highest levels and who have done yeoman service for this country, I think it is important that it is done right and done properly. It is true that we do not have enough to give everybody what they deserve, and certainly she would not be getting what she deserves, but I think we have to give honour where honour is due.

There are persons who have served this country and we have not been in a position to honour them well. I think, for example, of our former Prime Ministers, Sir Lloyd Erskine Sandiford and Sir Harold St. John. I believe that we should be doing more for them in terms of honouring their status. I believe they should be given a chauffeur-driven car at all times, and not only on special occasions because I believe we ought to honour persons who have worked hard for the country and that a time would come when Barbados would be in a position so to do.

Mr. President, in looking at this debate, one of the things to which I would like to draw your attention is, for example, the need to be able to understand the context in

which it is all taking place. There are very difficult negotiations taking place and very difficult changes within the economy of Barbados. It has been stated that what the Government has tried to do is not only raise salaries but also by putting certain things in place to improve the disposable income of the workers of Barbados.

Mr. President, these things are going to cost Government when one looks at the changes in the income tax regime, which not only affects the individual but there have also been changes in both corporation and land taxes, which are going to result in terms of a loss of revenue to Government. We know, for example, that in this year, the adjustments to the income tax are going to cost the Government in the tune of \$54 million, and in 2004-2005, it will rise to \$73 million.

We know that when tax is adjusted downwards, it provides a higher level of disposable income to the average citizen, thus allowing that person's money to do more than it was before. Therefore, in an inverse-type of way, it is like a salary increase. Mr. President, let me hasten to add that, not only are we having these reductions in terms of taxes, therefore, making the situation better for all Barbadians, but we also have the upcoming regrading of the civil service, which would see a number of posts being repositioned upwards and maybe about 200 posts being adjusted differently. These would again, impact back into the pockets of the average civil servant.

We must also bear in mind that persons have had their eight per cent returned to them. Therefore, persons have been better off, despite the fact that we have been going through an economic recession and, in all of that, have been able to maintain a high level of employment as much as possible, without having to have serious layoffs in the public service. I think this Government has done extremely well in terms of looking after Workers needs.

Mr. President, when we look at what is required to safeguard our future, I think that the standard of living in any economy is not about what Government does in terms of fiscal policies but with how the people of that country pull together and the level of productivity they have produced. Therefore, it is about how we, as Barbadians, work together and as workers, if we want to participate meaningfully in helping to better our situation, it is important that we seek to adjust the way in which we approach the whole element of citizenship, how we do our work and how we relate as a national within Barbados.

Mr. President, one of the things that is of concern to me in both the public and private sector - because it is not only a public sector problem - is that there are many private servants who work hard but we do have some who do not hold up the side as they should. It also has to do with not

understanding how an economy works, or the importance of productivity.

Mr. President, the thinking of the average person is that if that person works speedily and is paid \$1 800 per month, then it makes no difference if that person works slowly for the same \$1 800, therefore, some people develop an indifferent attitude towards their work.

Mr. President, I would want to let Barbados know that how we work every day impacts on the cost of living within the country. It is one of the factors that contributes to the cost of living within the country. For example, if we are making five chairs per day, then what we have to charge for those chairs to be able to make a profit and to be able to pay our labour cost, would mean that there are only five chairs over which to spread those costs.

On the other hand, if we could increase our productivity and could produce ten chairs per day, then we are able to spread those costs across a greater number of chairs, thereby making every chair cheaper and more cost-effective. Unfortunately, in our country many Barbadians do not understand the concept that time is money. Some of them feel that if they are asked to work harder or to do more, that they are being slave-driven, without understanding that without productivity and efficiency, one would not see the results in affordable prices of one's products and services.

Senate No.8(33)

5.30 p.m.

Wednesday, December 17, 2003

SENATOR Mrs. S.C.V. HUSBANDS: Therefore, if I work at the National Housing Corporation as a clerk, that department has a specific objective. It must achieve a certain level of work and things must be done at a particular time. If I take my time, sick out or do not focus on my work, then it will take longer to achieve the objectivity. If the objective is not achieved and results in harm to citizens, the Government is then put under pressure to increase the staff complement to achieve the objective in order to reduce harm to its citizens and this carries up the wages bill to Government.

Mr. President, when the wage bill of the Government goes up, the money has to come from somewhere and Government is forced to increase the level of taxation to meet the increased wages. When taxes are increased in any economy it drives up the cost of living and the money that one gets in hand will not do as much as if the cost of living was lower. The average person does not understand this, and we have to make a call for everyone to understand that when we work and produce that we do this for ourselves

and this also allows businesses the opportunity to offer competitive prices to customers thereby attracting more profits and this puts the Union in a position to negotiate better wages.

Sir, I am not against people getting better salaries but I have a problem when people do not connect productivity to salary. Therefore, it is imperative as we go into the 21st century that we reposition the economy, that there is also a change in the thinking of management and staff and that we focus on productivity.

Mr. President, when Barbadians are dissatisfied with something in the workplace we feel we can take out our annoyance by not doing any work and as a result this destroys the foundation from which we gain our salary increases. This has to stop and we must come to the level of maturity where there can be disagreement but not take out our annoyance on the organisation because productivity is important.

Sir, we must also look at the level of wastage that goes on in the public and private sector. The major wastage is that of time because our sick leave is four times higher than any other country in the Caribbean and this does not speak well for us as an educated nation. We are some of the most educated people in the world yet we have not come to grip with the responsibility to make sure that we turn up for work when we can. We will be sick at time but sick leave must not be taken as right.

Sir, wastage also occurs in terms of management of resources and particularly in the public service, there is the view, that it belongs to Government and it, therefore, does not matter. We see this reflected in the behaviour of citizens where they destroy street lights and community centres but every time Government has to replace these things it must come from taxation. If we are to create an upwardly mobile society, we have to reduce wastage in this country.

Mr. President, a lot of overcharging goes on in this country by small and big businesses. Householders know when they ask someone to do a job, the person takes a look at them and charge them to suit. They want to cut a tree down for \$400 or charges an exorbitant fee to paint your house. They do not understand that the householder has then to demand higher wages from his employer and that when these wages come from the public service, Government has to find them through taxation. Although the person has overcharged the householder, he has driven up the prices and when he then has to buy goods and services it will cost him more and nothing has been achieved. Therefore, overcharging to the consumer and Government must be both reduced.

If civil servants are to be given what they deserve in terms of salary one of the things we need to deal with is theft because it is a problem to the nation and it takes places at many different levels in many different ways. We think of theft as simply breaking into someone's house...

MR. PRESIDENT: Senator, I hate to interrupt you but could you establish relevance to the Resolution before us with respect to the point you are making.

SENATOR Mrs. S.C.V. HUSBANDS: Mr. President, I making the point that if we are to sustain salary increases and improve the quality of life for the average civil servant, the entire society must address the issues that impact on Government's ability to be able to pay those salaries and that lack of productivity, theft and wastage reduces Government's ability to be able to give the types of salary increases people deserve. Therefore, the appropriate use of time and resources is imperative to put Government or any employer in a position to give people what they deserve.

I want to urge Barbadian people to focus on the spirit of self-help and team work to rebuild our nation as we move into the era of globalisation. We have to change the way we manage our fiscal affairs to make sure that we build a strong economy to preserve the life we have come to expect.

Mr. President, I want to thank you for allowing me the time to share and strongly commend the matter before us to this Honourable Chamber. I also want to say that I think the Barbados Labour Party has done an excellent job in seeking to manage our affairs and put this country in a position where it can benefit in the 21st century.

Mr. President, I am obliged to you.

S8/Sequence 34

5.40 p.m.

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SENATOR THE VERY REV. H. E. CRICHLAW: Mr. President, I thought it was unfortunate that all of the elements of labour and communication were not part of the agreement. In light of what Senator Trotman said about the independence of separate unions to negotiate for themselves, I think that the matter is not as serious as it seems.

I am glad that the Central Bank's advice about wage restraint was recognised at this time of declining economic activity. Sir, Public Sector Reform needs to address the concerns of public officers who feel that they are victimised on political grounds. Many of our people are not

committed to any political party but are still judged to be so on the principle that, he who is not with me is against me. Sir, this kind of assessment kills a lot of the enthusiasm in many of our public servants. Mr. President, this situation started more blatantly since the 1970s when Permanent Secretaries and their Deputies had to be endorsed by the political directors. Public servants cannot work comfortably if they know that achievement is not considered for promotion in the service.

I have not noticed any energetic move towards raising the level of productivity in the face of regional and global challenges but Senator Husbands has passionately expanded on the theme of productivity.

Sir, as a nation, we seem not to recognise how vulnerable we are in a world that judges everything by money, military power and size. The Royal Barbados Police Force needs to be treated differently from the general public service. At a time when there is so much insecurity in life, the police are the only people who stand between a civilised community, here and in many other countries, and the anti-social groups that would like to terrorise our country and destroy it. The lives of the police are always on the line to protect those who live and work in our lovely island.

Finally, the 1982 Education Act allowed for a Teachers Commission and I would like to know why this Commission has not yet been proclaimed. I think that the teaching service needs a commission. Sir, anyone who has been a head of a school or taught in a school will know the difficulties encountered and that some of these difficulties have to be addressed immediately. However, having to go through the bureaucratic processes cannot work in the school system. The bureaucracy in the Government Service encourages teachers to take leave of absence which they would normally not have taken, although they are entitled to it, for example, taking the 21 days leave of absence. Sir, their approach to teaching is different. I think that it would be useful if we could be told why the Teachers Commission has not been proclaimed.

Mr. President, I am in support of the small increase in salaries and wages but hope that as we go along that something more will be done for the police and nurses who are always ready to serve in a very passionate way. I also hope that something would be done to encourage teachers to remain in the teaching service. I thank you, Sir.

SENATOR THE HON. Mrs. V.E. NEWTON: Mr. President, I rise to support the Resolution before us. I will not go over anything that was said by other Honourable Members. I have no problem with basing increases on the inflation rate because I am sure that there are many qualified economists in the Government Service who would have worked out the standards that ought to be

applied in these cases according to generally accepted practices.

Sir, having heard the contributions of Senators Griffith, Collymore and Barker, I am sure the increases that were granted are probably the best that the Government could afford at this time. I want to say that people living in this part of the world often wish for high increases in salaries but in many developed countries, countries that are better off than we are, salary increases of 2 or 3 per cent a year are the order of the day. Therefore, I have no problems with an 8 per cent increase over a three-year period. This is not to imply that I do not think that the Civil Service of Barbados does not perform and look after people's business. Some Senators mentioned that there are pockets of persons who do not pull their weight, and this happens in any organisation. Public Sector Reform process that has been in place for some years and I hope that productivity is one of its objectives and that everything is being done to see that it increases.

I am concerned, having looked at the Schedules to the various Orders before us, with the low wages being made by teachers, policemen and nurses and would hope that in the next reclassification exercise that something is done about it because of the contribution that they make to our well-being. Mr. President, as part of the Public Sector Reform process, I am hoping that procedure for annual performance appraisals is an integral part of it.

S8: Sequence 35

5.50 p.m.

Wednesday, December 17, 2003

5.50 p.m.

SENATOR THE HON. Mrs. V.E. NEWTON: I am not sure what is involved in it, but I am hoping that procedures for annual performance appraisals are an integral part of it. I gather that there was a document being prepared some time ago and it is being piloted in one or two departments. I think that it is a fairly urgent necessity for appraisal instruments to be introduced in all Government departments, for persons at all levels, managers, and those who are managed, to ensure that all persons are productive and they are working according to their job descriptions. Therefore, if they are not doing what they are supposed to be doing, something can be done about it.

On a couple of the call-in programmes for the week, I do not get to listen to many of them but I heard many speakers complain that the senior public servants were being paid too much. I am looking at figures here and I am seeing that they are a lot. I would wish to remind those

persons that if you compare the salaries paid to senior civil servants with wages and salaries in the private sector, they are very small indeed, having regard to the responsibilities. Our Ministers, senior civil servants and the permanent secretaries all have very large work loads. They work according to hours that are quite flexible, many do not get much time off and, therefore, I think on the whole, each one of them deserves any pay that they get. We have to remember that these salaries are small compared to what senior management in the private sector is able to attract.

With those few words, Mr. President, I wish to support the Bill. I congratulate the Government for getting procedures in place that civil servants can receive some additional funds before Christmas.

Thank you, Sir.

SENATOR Dr. D.S. LOWE: Mr. President, I rise to make my contribution to this debate and to join with my colleagues on this side in indicating that, after a careful analysis of the content and after hearing the context within which this Bill has been cast, we could not, in good faith, support this Resolution.

I listened very carefully to the Leader of Government Business, the Honourable Senator Griffith, and in his presentation, he talked about external competitiveness and the need for us here in Barbados, as we face the challenges of a globalised environment, to increase our competitiveness and productivity.

As I pondered on those thoughts, Sir, I thought about the fact that external competitiveness must be driven by domestic efficiency. As we look at the civil servants of this country, let me say this up-front, Sir, that we have the highest level of regard for our civil servants and that the Democratic Labour Party has never purposely crafted any situation that would put the civil servants of this country at risk or that would minimise the significant role they play in this country's economic growth and sustainability.

The fact is, Sir, I heard a lot about the 8 per cent and let me just visit that quickly and say this, that the Democratic Labour Party cannot be accused of purposefully seeking to hurt the economic circumstances of the civil servants. Sometimes you wonder where people's thinking really lies, since I believe that it is a common consensus, not only in this country but around the world, that the measures taken by the then Prime Minister were measures that had to be taken, in order to save the integrity of this country's economy.

The fact is, Sir, that those who lambasted the Democratic Labour Party Government for imposing an 8 per cent cut on the civil servants, sit quietly as the Government, in its attempt to pay back the 8 per cent,

rationalised the 8 per cent as imposed taxation on the same 8 per cent and they do not speak about that. Sir, that is not an issue that they would want to speak about. As a matter of fact, Sir, let me go on to say that they talk about competitiveness and productivity and that a raise of pay is not the only factor that determines productivity in the work environment.

Sir, we live in an era where the gap between the Government, the employer and the civil servants has widened significantly. Since 1999, soon after the general elections, the first group of civil servants to walk out on the Government was the people at CBC. A whole litany of unrest has occurred since then, Mr. President, and almost every year there is industrial action brought against the Government by its workers, the civil servants, and there must be a reason why.

Sir, when we begin to talk about productivity, we must ask ourselves what really influences productivity? Is it just the fact that you raise the civil servants' salaries? I say, no, productivity is driven by conditions of work. When we speak of conditions of work, Mr. President, we are talking about creating a worker friendly environment, where the civil servants of this country are provided with the best possible conditions to execute and to ply their crafts, within the Government's civil service.

Sir, also, conditions of work where workers do not have to constantly press the Government to improve the physical conditions of the locations which they work, where the air quality is constantly checked and where, Sir, on a daily basis, the civil servants of this country are provided with the necessary resources to execute their particular responsibility within the context of the job.

Again, Sir, conditions of work where we talk about hiring practices, because we know that it is commonplace in today's Barbados where Government Ministers are involved with shuffling individuals into specific areas of the civil service and create hazardous situations for those who are called upon to manage those specific areas. Some individuals that are sent by Ministers, do not want to take instructions from those persons who are placed within that service to manage those circumstances and this erodes the relationship between the Government which is the employer and the civil service.

Mr. President, conditions of work drive productivity. When we talk about conditions of work, we are only talking about:

- The physical plant, and the safety that obtains there.

Hiring practices and performance standards.

The need for the civil service to employ the kind of performance related standards where people can be measured more accurately.

That you take away the personality from the measurement of people's performance and their responsibility.

Mr. President, we are talking about strong leadership. We are talking about training and development in special domains. I have heard people in the Royal Barbados Police Force talk about the fact that they have been crying out for certain types of training services which have not been made available to them, especially in the area of human relations and stress management

Senate 8, sequence 36,

6.00 p.m.

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SENATOR Dr. D. S. LOWE: The police officers of this country have a strenuous task in trying to maintain the civility of the society and their lives are at risk on a daily basis. Only recently one of our young police officers lost his life in the line of duty. We believe that if you want to push up the barometer of productivity, you must put these conditions in place as part of the incentive to ensure that the worker morale is at its highest. Once the worker feels good about what he or she is doing, chances are they are going to influence the competitive edge of the civil service and productivity would be advanced in the same domain.

I heard one of the other Honourable Senators speaking of the same notion of worker conditions. They talked about political interference and governance. One of the elements that negatively impact on the civil service is the political interference with the governing standards within the service. When we talk about political interference, we are talking about individuals who are politicians who interfere with the day to day management of the different elements of the civil service and who plant people into the service who refuse to follow protocols and then eventually contaminate the quality of the work environment and put the quality of the climate of the work environment at risk.

Sir, if we want to talk about a government that cares about the civil service and the civil servants and if we want to talk about a government that really looks after its people, then we have to ask ourselves why the industrial climate in this country is so on edge. Mr. President, members on this side and members on the other side know that there is a tug-a-war going on currently between the workers and the Government in this country. That is demonstrated in the fact that there has been an exodus away from the service.

Nurses, teachers, police officers and other professionals are walking out of the service because they have contended that the conditions of service have not been good.

Sir, I am saying that if we want to claim that the Government is a caring Government to the extent where it is looking after the welfare of the civil service, it must be understood that every single element that influences or impacts upon the life of the civil servants must be adhered to, must be addressed and must be remediated.

Let me go on to another point, Mr. President. An Honourable Senator said that what people get is determined by what is available. I listened to that particular comment and I asked myself if the extent to which the salaries are raised is guided by what is available, why is more not available. This Government has watched over the most colossal example of wastage in the history of governance of this country. So I would like the Honourable Senators on the other side to explain to us why more is not available. I want to suggest that perhaps why more is not available is because of the million of dollars that were wasted at Greenland. I also want to say that perhaps the reason why more is not available to the civil servants is because of the cost overruns that have been incurred by several of the projects of the Government such as the Sewerage Project, the St. Leonard's School and the Warren Project. These people could have been given more and perhaps that is why some of the main stakeholders in the civil service are not on board with this particular resolution.

We may want to ask why are not the police officers and the prison officers on board in terms of agreeing with the resolution. I am asking why is there not more. I am saying that at the end of the day why those persons who could have been rejoicing over what the Government has offered may not be rejoicing is because this Government, which is now proclaiming itself to be such a caring Government, refused to listen when the ordinary people of the society were advising it not to spend the millions of dollars on Greenland and were raising flags about the cost overruns on the projects of Government. I am suggesting to you, Mr. President, that police officers would go home with a few pennies more had not Government wasted millions and millions of dollars in this country. Why is there not more at a time when the Government was collecting hundreds of million of dollars in excess VAT revenue in this country? They want the Opposition to agree with them, but we do not see it through the same prism as they do. They can call it nitpicking if they want to, but at the end of the day we have to represent the interest of all Barbadians and we have to look at the issues as they reflect upon all Barbadians. I am saying that the reason they cannot offer more is because they have wasted so much in ill-advised projects and have squandered our monies. Tonight the teachers, the nurses and the police officers are still waiting for their just due. The police officers cannot stop their work

because if they stop their work they put the safety of you and I at risk.

I am saying that at the end of the day when you look over and comb over this resolution, we have to ask ourselves this question. We must assert first of all that to give the public servants of this country more is an honourable thing, but then we have to ask ourselves why not more. If, as the Honourable Senator has said, that what people get is determined by what is available, then I am submitting to you, Mr. President, that there could have been a lot more available today. Mr. President, I would wish to submit to this Honourable Senate that there could have been a lot more available for those persons who toiled day in and day out under adverse circumstances in some cases to make this country go forward and to make it great.

There could have been a lot more available had the Government decided to manage its fiscal activities with more care. Had the Government decided not to put millions of dollars in projects including the thousands of dollars that would have been involved in the cutting down of an ackee tree, there would have been more available.

At the end of the day as we go forward, we would want to suggest to the Government that if it wants to create better circumstances for the workers of this country not only the civil servants, because we must not forget those workers who work in the private sector who are exploited daily because this Government that says it is so caring about the people of this country and about the workers in this country has consistently rejected any opportunity to put minimum wages legislation in place...

Sir, with the imminence of the free movement of people where hundreds and perhaps thousands of persons can come into Barbados and without a minimum wage legislation, only God knows what is going to happen to those young Barbadians who would be looking for work but would not be willing to accept marginal pay because the standards that need to be in place are not in place.

Senate 8 Sequence 37

6.10 p.m.

Wednesday, December 17, 2003

SENATOR Dr. D. S. LOWE: Mr. President, we cannot support this Resolution. My Honourable colleague has made out a marvelous case on the behalf of the Democratic Labour Party and, in closing, I am saying that, at the end of the day, we would want the Government to explain to those persons who have not been able to fall under the ambit of this Resolution with comfort, why is there not more money available, given the hundreds of millions of dollars that were collected in excess VAT and

the millions of dollars that were wasted in numerous projects, under this administration.

Mr. President, I am much obliged.

SENATOR I. G. P. GODDING-EDGHILL: Mr. President, I rise to join other Honourable Senators in supporting the Resolution before this Honourable Chamber.

Mr. President, the case for a wage increase should not, and I submit cannot, be viewed on a basis of a number. It has to be examined on the basis of what exists. It has to be examined based on the current environment, forecast or predictions, non-wage benefits and the financial impact of any wage settlement, especially on the Government's expenditure on the fiscal deficit. Therefore, we have to ask ourselves, what is the case and why should we justify a wage increase.

Mr. President, the Honourable Senator who spoke, had me a bit confused at one stage because I was not sure whether or not he was joining in a call with this side to support a wage increase, while his only concern was that we were not giving enough. Therefore, essentially, the Honourable Senator was calling for more, and he recited a list of what he would describe as "squandermania".

Mr. President, I do not think for one moment that the Democratic Labour Party should engage in any discussions here or elsewhere on anything remotely connected to "squandermania".

Mr. President, the second point is that when the Honourable Senator recited the list of what they believed to be a list of projects that were engaged in wastage, we would want to remind you, Sir, that it was the Democratic Labour Party that sold what we refer to as the crown jewels. For example, Heywoods Resort was sold at below market valuation.

If the Honourable Senator wants to talk about another crown jewel, let us talk about the Cable and Wireless situation, in which we now find ourselves today. Therefore, if the Opposition wants to engage in a discussion on "squandermania" and about the giving away of crown jewels to the private sector, in which they are fully involved, then we could have that discussion.

Therefore, on the one hand, one is hearing the Opposition making the call for more money while, on the other hand, they are saying they would not support it. That is why, at the beginning, I had made the point that I was confused as to the Opposition's position and that maybe they would clarify it.

Mr. President, I want to go through the discussion. Like I said earlier, we cannot look at a wage increase in terms of numbers but at the environment in which we operate. Sir, I am going to quote from Protocol Four of the Social Partnership, 2001-2004, which was made a Document of the Senate. On page 3, Statement of Intent, Item I.I:

"The Social Partners desire through their association in a Social Compact, to create a modern, efficient economy which is able to produce high and sustainable economic growth, accompanied by increased employment, to establish, through low inflation, an equilibrium between prices and incomes, and to achieve a society which enjoys a greater degree of inclusiveness in all its facets, and where a conscious and deliberate effort is made to distribute equitably the benefits of economic growth."

Mr. President, I want to go further to page 7. At Item 3.9:

"The Social Partners agree to support the application of such policies and practical measures as will ensure the on-going competitiveness of the productive sectors."

Mr. President, let us go to page 25, Item 7.3, which summarises it so beautifully:

"The Social Partners, notwithstanding their support for legislative measures specifically designed to achieve the foregoing objectives, also recognise their other broad social responsibilities."

Mr. President, it is written in Protocol Four, the Government, the private sector and the trade unions, have all signed the document and it is now a Document of the Honourable Senate. I would, therefore, ask the Honourable Members of the Opposition to familiarise themselves with the Social Compact or the Protocol because it is written here.

Mr. President, if we go further and look at Incomes Policy at Items 7.6:

"The Social Partners agree that the Incomes Policy which forms part of the Social Compact, shall operate in accordance with the following policies and procedures.

(a) There shall be a general restraint on increases in basic wages and salaries in both the public and private sectors, the example being set by those in receipt of the highest levels of remuneration so as to establish a practical and realistic basis for the general call for wage earners to exercise wage restraint;

“The restraint on increases in basic wages and salaries will apply to all remuneration under contract of employment for any kind of work to be performed wholly or substantially within Barbados.”

Mr. President, since 1995, Government employees have received a 28 per cent increase in wages, with accumulative inflation which has been less than 18 per cent. Mr. President, since 1995, wage increases have outstripped inflation by 10.75 per cent at the bottom of the salary scale, and 9.73 per cent at the top.

Mr. President, wage increases given to Government workers have also taken into account the tax reform initiatives such as the rate of personal income tax which has moved from 25 per cent to 20 per cent. There is the example of a messenger in the Government service, earning approximately \$20 000, who would see his disposable income moving from \$18 921.75 to \$20 000, over a period of time.

Mr. President, if it is put another way, there would be the situation where by 2005, based on the tax reform measures being introduced, there would be that same messenger who currently pays \$1 307.25 in taxes, moving to a position where he would only pay \$45 in P.A.Y.E. His taxes would be reduced from \$1 307.25 to \$45 by 2005. The estimated cost is \$54 million in the first year and \$73 million in the financial years, 2004-2005.

The Unions demands would have been based on the proposals that were submitted and would have amounted to approximately \$80 million.

Senate No.8(38)

6.20 p.m.

Wednesday, December 17, 2003

SENATOR I.G.P. GOODING-EDGHILL: We had an annual growth rate of 2 per cent in the economy and when we take into consideration that there was also a wage increase, if Government did not settle at 69.8 per cent, we would have seen an increased bill of \$80 million. Sir, when we compound this, it goes beyond the projected 8 per cent.

Mr. President, the incremental cost of the wage increase amounts to \$69.8 million over three years and this is not unreasonable for a Government, having realised a low rate of inflation and instituted a number of measures to improve staff morale. Sir, when the Opposition talks about staff morale we have to look and realise that there are several non-wage benefits which Government has put in place in order to secure and improve the morale of the Government service. The argument for increased wages should be taken in the context of whether the country is in a

position to afford it or not. We have a situation where low wage settlement and low taxes have increased disposable income throughout Barbados and workers can feel proud of this fact but, if there were high wage increases with higher taxes then the disposable income would be diminished. Therefore, it is unfair to suggest that Government at this time is not giving a fair wage increase to Government workers.

Mr. President, whether we like it or not, any wage increase must be financed. If we do not finance them, we will go back to the days of 1991 when there was an economic disaster. Therefore, it is important that all of us recognise that the Government must take a responsible role in wage negotiations and base any wage increase on its ability to earn revenue and at the same time keep its deficit down.

Mr. President, the Opposition has a duty to be responsible and deal with these facts. I listened to the Opposition and I thought they would have addressed the issue of whether or not the Government was in a position to pay and whether a package of \$8 million over three years is good enough for the employees of Government.

Sir, when you add the taxation relief through the reform initiatives, the wage benefits we have agreed to and that the Government is still discussing with the trade unions, this tells us that this Government is interested in the livelihood of its workers. When we contrast the position of Government to the anti-labour agenda pursued by the Democratic Labour Party in 1991, we can see the difference. The difference is whether we are going to take an approach to pay what we believe to be a fair wage increase or try to please everyone and pay more than we should pay at this point in time.

Mr. President, a lot has been said about negotiating in bad faith but I make reference to the Protocol at page 25, Section 73 and other areas of the Protocol which give legislative support. The Honourable Senator who spoke before me talked about the ILO Convention and the right of trade unions to negotiate and settle on behalf of workers.

Mr. President, in closing, I associate myself with all Honourable Senators in supporting the Resolution. I also want to say that support for this Resolution is not only in the form of the wage increase before us because we have good workers in the Government service and at all times individuals on both sides of the Senate would have to benefit from their guidance and wisdom.

Mr. President, without further ado, I table my support for the Resolution before this Honourable Chamber.

SENATOR THE HON. Miss L. V. EASTMOND: Mr. President, I rise to speak in support of this Resolution. Much has been said by my colleagues already and it is not my intention to go over old ground. I agree in particular with the comments made by Senator Gooding-Eghill in showing us that our good friend, Senator Lowe, who sits on the Other Side, continues to agree with us on this side.

Sir, Barbados finds itself in a position at this point in time where its citizens have become craftsmen, cutting up a small pie in terms of increasing wages, providing public services such as healthcare and education. Sir, at this juncture in our history Barbados has to make a determination how it plans to go forward. The key issue has always been our human resources and how our human capital is utilised and Barbados is now at a point where it has to determine where it wishes to go with its human capital. It is my view that the private sector and the public sector are in this together and I think there must be unity in terms of calling for an increase in productivity amongst all Barbadians.

Mr. President, whether or not Barbados is able to progress or take its place at the table as a developed country depends exclusively on what the people of Barbados decide to do.

S8/Sequence 39

6.30 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. Miss L. V. EASTMOND: Technology is one of the instruments being used by many countries to increase productivity and efficiency. The Barbados Government has recognised the importance of technology in executing its work and we have made a number of interventions in the public sector. Mr. President, we have introduced Edutech and community-based programmes at the community level. As a person who is very much interested in the people of St. Philip West I am going to do my best to make sure that some of this technology comes to the constituents of St. Philip West. The effective utilisation of technology is one of the key means by which we will be able to improve our efficiencies.

The Ministry of Commerce, Consumer Affairs and Business Development has given me the responsibility for information and communications technology and Honourable Members of this Chamber will be hearing a lot about the utilisation of technology within the public and private sectors that will give Barbados the impetus and put us in a situation where we can make that leap forward to greater efficiencies so that when the time comes again for wage negotiations the pie which we would be seeking to

cut up would be a bigger one. The issue for Barbados should be, not how to cut up a small pie but how to manage wealth and prosperity, that is my dream.

Mr. President, with greater efficiency and productivity, we would be able to see that there would be an increase in revenues for Barbados in every area. Let me make the point, even though it is a point that should be very stark to us, that the revenue that Barbados earns depends on the work that each Barbadian puts in on a day-to-day basis. The country earns revenue from the work that we do. Therefore, those of us who go to work and do not put in a full day's work are helping to contribute to a situation where, when we come to determine how we cut up the pie, the pie would be smaller than it normally should be. I wish to say that we should come to a consensus on that issue because this is the only way that Barbados can earn revenue, it has to do with the work that we put in.

Mr. President, there is a belief that Government has a lot of money and it comes to Government in some miraculous fashion; but that is not the case. It is only if we can sell our goods and services at a proper price that we are able to earn any revenue in order to increase wages, provide more efficient public services, roads and lights. I wish that this were something that we would talk about more. All of us have to contribute; not just a few of us.

Mr. President, as I said before, we are all in this together. It is not an us and them situation. In order to reach the stage where we are worrying about managing wealth and prosperity, all of us have to make sure that whenever we go to our place of business or world of work, that we are focusing on increasing our productivity and efficiencies and one of the means by which we can do this is by focussing on utilising technology.

I know that there is some fear that when you use technology it means that there will be fewer jobs available but that is not the case. When you use technology, efficiency will be increased so that there will be more opportunities for Barbadians to sell their goods and services, thereby creating more jobs; that is the reality of technology. Mr. President, I have seen this for myself and there are many countries around the world that have also seen this.

Sir, one of the things that I fear is that if we in the public and private sectors do not listen to the call for the use of technology we are going to be left behind because it is a tool that can cause countries to leap forward. Barbados may find itself in a particular position on the Human Development Index, and Barbados regards itself as one of the highest placed developing countries. However, within five or ten years, if the public and private sector do not get onboard some of the countries that we laugh at and believe that they are poor and backward, will have embraced

technology and be moving ahead. We may find ourselves sitting here feeling extremely contented only to realise that when the results are out in a few years time that we are rated very low down the pole.

Sir, this is my submission in this context and I support this Resolution.

I am obliged to you, Sir.

HER HONOUR SENATOR DAME PATRICIA SYMMONDS: Mr. President, as the last batsman I am going to bat hard but briefly. In this case I do not mind if I get out because a lot has been said already and there is not much more that I can say without, perhaps, becoming boring or repetitive.

I want to make a few points which I think are important. Mr. President, when I was a teacher and an active member of a trade union, one of the things we stressed was that of conditions of service and that money was not the only factor. I know that one of the Honourable Members from the Opposition talked about conditions of service and he did so in a very negative way but there are so many positive things that we could look at and I want to emphasise some of them.

Sir, compensation is not only confined to a rise in salary or improved conditions of service. For example, increase in allowance, shoe allowance, postmen are allowed to have their motor cycles duty free, there are entertainment allowances, the ceiling on vehicle loans have been raised from \$20 000 to \$35 000 and the repayment has been increased from five years to seven years.

Sir, casual workers now have security of tenure which is very important for workers' peace of mind. Mr. President, today we hear a lot about stress-related jobs and that one cannot give of one's best when there is no security of tenure.

S8:Sequence 40

6.40 p.m.

Wednesday, December 17, 2003

6.40 p.m.

HER HONOUR SENATOR DAME PATRICIA SYMMONDS: People feel unhappy working under conditions when they do not know if they are going to be laid off the next minute. So, that is also very important and the fact that they can now apply for mortgages.

Then, there is the amendment to the pension legislation to make it possible for a temporary officer to

receive a pension, as though he were appointed, once he has worked for a minimum of ten years. Again, this is something very vital and, however cliché and platitudinous it may sound, the work of a caring Government. I make no apology for saying this.

Then, there is the flexibility responsibility allowance when public servants have to work extra hours, and even though there are many people who work far beyond the call of duty, it is an incentive to get some extra money or extra work. We are human and I know that can be an incentive.

Then, as part of the 2001 to 2003 accords, the Government agreed to improve conditions of service in this regard that the pension of public officers would be a right. Then, part-time teachers and, of course, I noted that, will be paid for public holidays which fall in the school week. That was something I had been hearing about long ago when I was teaching. I am so glad to see that is also a reality.

Then this, the estate of public officers killed in the line of duty will receive compensation to the rate of five times the officer's annual salary. There has been talk in this debate, of course, about people who tragically die in the line of duty and although it cannot really resurrect people, yet it does help to console after the grief has worn off.

Protection of wages, to me this is one of the things I think that is analogous with one of the greatest pieces of legislation, if not the greatest that the Barbados Labour Party introduced and that was, of course, the Representation of the People's Act which gave us adult suffrage. I think that this legislation whereby wages could no more be cut indiscriminately, is something which I think can be compared with that.

Asides.

HER HONOUR SENATOR DAME PATRICIA SYMMONDS: Sir, if we look at the physical aspects, I do not want to rub it in, even though I do not notice much attempt of trying to expiate, and there does not seem to be too much regret about what happened between 1991 and 1994. I marched three times and I think I can afford to say that there were buildings which were neglected because there was no money to repair them. I know because when I left the system and even after, many of the schools were in good repair. Sometimes when I ask questions maintaining my interest in education, I am told that there is no money to pay for them.

Now, we are seeing a great face-lift, partly due to EduTech and you look at some other buildings like Immigration and some of the police stations and see that these are all being renovated and beautified.

I just wanted to draw attention to these things because, as I said already, the debate has gone on long and other things have been raised, therefore, it is only left for me to say that, of course, I support totally, this Resolution.

Thank you, Mr. President.

SENATOR THE HON. E. R. GRIFFITH: Mr. President, I listened and took careful note of the comments of all Senators. As anticipated, we did have moments of intense emotion, but that is understandable because, as I said at the beginning, when we have to talk about money and I did not mention the other one that brings forth a lot of emotion as well, it is land, ownership of land and money. Therefore, I was not surprised at the emotion which was expressed by certain Senators.

In responding, I need to make a few comments, Mr. President. Firstly, I need to verify the issue for the benefit of Senator Stuart, who in speaking, tended to suggest that in my presentation I had been critical of the Democratic Labour Party Administration during the period of 1991 to 1994. The records will show that was not the case. My reference to that period was to suggest that we should not allow the fiscal affairs of this country to get into such a bad state, that we would go back to similar circumstances. I purposely refrained from speaking about that issue and about the manner in which the Democratic Labour Party Administration managed the area because I was intimately involved and I would not speak if I have to speak on that issue, on the basis of any feelings or suppositions. I will speak from facts.

At the time when the issue was going before the Supreme Court, I got myself out of going to swear to an Affidavit. At the time, I made the point that if I had to go and state the facts, the outcome might be different. I have refrained from that and I would not get involved. So, that speaks for itself.

My reference to 1994, therefore, Mr. President, was to suggest that we cannot allow our fiscal affairs to be so managed that we will reach a stage again where our deficit will get out of control and we will be forced to make an adjustment. As I said then and I will repeat, if you reach that stage, you have to make the adjustment on one side or the other. If you are not going to make it on the side of the exchange rate because we believe that we need to, and should maintain a fixed rate, then you have to make it on the fiscal side.

There are two ways to do that, either raise your revenue or cut your expenditure. The chances are that you may not be able to raise your revenue to the extent necessary and that you will have to take some cuts on the expenditure. When you have to do that, you have to cut back programmes, you have to deal with the issue of staff

and so on. This is the point I was making and my only reference to that period.

I am not at this stage prepared to get involved in those other issues. That time will come when I publish my book.

Asides.

SENATOR THE HON. E. R. GRIFFITH: You can put down your name for a copy.

Mr. President, I need also to make reference to a few points that were reached. There is much talk from the Opposition about equitable distribution of income and so on. Senator Collymore made the point. It is a point that we need to take note of because we must not fool ourselves.

In 1960, the ratio between the top and the bottom was 15 to 1. That is, the person at the top got 15 times the salary as the person at the bottom. Today, it is 5.5 to 1. In Jamaica, it is 10 to 1. In Trinidad & Tobago, it is 8 to 1. Sir, while talking about equity, we will have to reach the stage where we come up with a definition of equity. Is equity giving everybody, top and bottom the same salary, but with different levels of responsibility? Is that equity? We will have to define it at that point in time.

Senate 8, sequence 41,

6.50 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. E. R. GRIFFITH: It is not a simple thing of saying that you follow a two-tiered system - I have no problem with that - and that you can give big increases at the bottom and continue to compress it until everybody is at the top, because there are different levels of responsibility and then you would have a real issue. This is a point to which we need to pay attention because you will not continue to get people to take on the level of responsibility which they have to carry at the top if you do not wish to pay them. The salaries at the top are already poor salaries. Reference of that was made by Senator Newton.

Over the years, public servants, including myself, have continued to work long and hard beyond the call of duty. When some of the people at the bottom are at home sleeping, a number of them are at work. Many Sundays I ate one apple for lunch while working on the Estimate when people were home eating rice and peas and chicken. Many nights I slept at Government Headquarters working on the budgetary proposals. I worked right through from 8 o'clock in the morning until 3 o'clock the next morning, went home for a break and was back there by 8 o'clock the

next morning and I never got a cent in overtime. I never asked for it and I never thought of it.

So in determining the question of equitable distribution, you have to deal with the issue of the level of responsibility. Otherwise, you still would not have equity. That is the only caution I would raise at this stage. I do not have a problem with a just package for the people at the bottom, but I am saying that simply bringing everybody to the same level, and keeping different levels of responsibility is not equity. So we need to be clear about what it is we want to do.

I turn now to the question of excess VAT. I keep hearing people speak about it. On the call-in programmes there are some people who glibly speak about the Government collecting large sums of VAT and it needs to explain what it is doing with it. That is a simple matter. The Estimates of Revenue and Expenditure is approved by Parliament. The revenue for this fiscal year 2003-2004 is \$1.78 billion and the VAT is included in that and the total expenditure is \$2.4 billion. The way people speak about this excess revenue the Government has collected and needs to account for it makes it sound as if it has gone into somebody's pocket. It has gone into the Consolidated Fund and it is to be used to support the \$2.4 billion in expenditure. So I would wish to caution Senators about speaking so glibly and creating this feeling in people's minds that persons out there are taking this excess revenue and putting it in their pockets and cannot account for it. When you speak like that, people think that somebody has stolen it which is not the case.

If you take the revenue of \$1.78 billion and you take the wages bill at its present level, including the transfers to the corporations and the national insurance payments, you already have 42 per cent of the revenue accounted for. If you add the pensions bill, it goes beyond 42 per cent. When you take it now and you add the \$69 million and you take into account the loss of revenue from the tax reforms, you are going to be talking about at least 52 per cent of your revenue in wages. Which company in the private sector would be comfortable spending 52 per cent of the revenue it is earning on wages? To do that, the company would know that it is heading for doom. So while the Government is willing to continue to reward its employees, it has to do so within a certain context, which is the point we are making.

What we are saying is that if we are to continue to maintain the fixed exchange rate, which we all believe we can maintain, we have to discipline ourselves when it comes to the fiscal matters which cannot be disputed and in doing that, we have to pursue policies that would allow us to keep a reasonable deficit.

I heard Senator Trotman speaking about 2.5 per cent and saying that at one time somebody told somebody that 9 per cent was okay. If that person got bad advice, I am very sorry. In the Ministry of the Finance we have always known what a reasonable size deficit was. There were many occasions when I met people from the political directorate who never accepted that advice, but that was not my fault. A manageable deficit being in the region of 2.5 per cent is not anything new. As I said earlier, there are even times when it is bad to run a deficit of 2.5 per cent. There will be times when it would be necessary to run a surplus to help to pay for some of the capital works to avoid having to borrow on the capital market especially if the funding which you can get from the international institutions is not enough to cover the capital expenditure. So the issue is one of sound fiscal management. You have to determine what policies you would pursue depending on the circumstances.

What we are saying at this moment, Mr. President, is that the Government used the fiscal tool to provide the stimulus to the economy when it went into recession as a result of two events. It was not anything farcical to speak about the impact of the OECD harmful tax practice threat, that was a fact. That would have happened whether it was a Barbados Labour Party or a Democratic Labour Party administration. It had nothing to do with a party. It had to do with the fact that the developed countries had become envious to the fact that a small country like Barbados was doing so well.

When I took part in discussions in London on one occasion with the people from the Income Tax Department, their main concern was that revenue was being diverted from them to Barbados. That has gone into abeyance for the time being but it has not gone forever, it will come again. Every time you make your mark on the international scene, the bigger countries will come after you and they will put stumbling blocks in your way. Therefore, we have to be vigilant and we have to manage our affairs in such a way that whatever hurdle comes before us we are able to surmount it, but we can only do that if we run our business properly.

The question of excessive wage settlements is one of the surest ways to reduce and undermine our international competitiveness. Barbados is dependent essentially on international trade. We have to export our services. We know what would happen to the tourism industry when the dollar is strong and our currency being tied to the dollar. We know what would happen when our dollar is strong against the pound or against the Euro. So we always have to manage our affairs in such a way that we can do things that would provide us with the necessary support for fixed exchange rates and that we would be able to continue to compete in the international arena. That is not anything farcical or fanciful, that is a fact and that is so regardless of

which administration is in charge of our destiny at the point in time.

Mr. President, I take the point made by Senator Collymore and others. It is a matter that engaged my attention when I was elsewhere.

Senate 8 Sequence 42

7.00 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. E. R. GRIFFITH: It is a fact that there are many pensioners who are living longer, who would find that the value of their pension has been eroded over time because of the changes in the cost of living, et cetera. It is also a fact that the Government's Pensions Bill at this point in time is in excess of \$117 million, which is not a small figure. Therefore, the real issue is not indexation, which is easy, for any mechanism could be set up to do that, the issue is the funding when one works out the mechanism to index the pension. How would that pension be funded?

Mr. President, that is the issue which I had raised when I had dealt with it elsewhere. I had suggested - I do not know what is happening now - the possibility of the establishment of a fund, which, in my view, we should have done many years ago because the question is going to arise at some point in time as to whether or not Government could continue to carry this increasing Pensions Bill and still could provide all of the services that the citizens of Barbados expect because, at the end of the day, there is only one cake. There is only a certain amount of revenue and as the Pensions Bill grows, then something else would have to be decreased, if the revenue does not respond in the same manner that both could be covered.

Sir, at that time, I had discussions with the Inter-American Development Bank (IADB) about a pensions fund which they had assisted some Latin American countries to establish. The problem there was, if a fund were to be set up, it would have taken at least 20 years before maturing to the point where it is able to carry sizeable pensions and, therefore, it would have to get very large amounts of money injected into it. Sir, it was in that context that I had discussions at the time with the Inter-American Development Bank (IADB) because I knew what they had done for a number of Latin American countries in terms of establishing funds.

Sir, there were also a number of issues such as, was it to be a fund that was only carried by the Government, or was it to be a fund that would be jointly carried.

Mr. President, I take the point and do agree that that is something at which we need to look but that, as a society, we would have to make the decision as to what we would give up in order to accommodate that. We do not have unlimited funds, therefore, at some point in time, one would have to establish one's priorities.

Mr. President, I took note of the issues of performance appraisals that were raised by Senator Newton. This is a matter which was discussed at length just before I left the Civil Service and my information is that, having done all the preparatory work, they are ready to implement pilot schemes in a number of ministries, in order to move towards that direction.

Therefore, this is not a matter that has escaped the attention of the Public Service, people have long ago recognised the need for a change in the present system, for there to be a good performance appraisal system in place, where people's performances could be measured, where people could know the standards and criteria against which they would be measured, and that it could be established whether or not people are duly rewarded in terms of work and pay.

I do not now know what has since happened because, as far as possible, I try to keep out of the business of the Public Service, because I am not going to give anybody the chance to tell me that I have had my time and am telling people what to do.

At that time, we had considered the need for the establishment of a number of training modules, which people would have to go through as they move from stage to stage. I mention that because there was also a new qualifications order and from stories that I have been hearing from time to time, I am somewhat disappointed that while the qualifications order was being enforced for the juniors, we could still have some persons rising to the top, who did not have the appropriate qualifications which have been set out.

Sir, I think that is a mistake, no one should be able to rise to the top to become Permanent Secretary, without first having to go through a certain degree of training and preparation. This, in my view, weakens the morale of the juniors when they see that the requirements are more stringent for them than for their superiors.

Sir, I know Barbadians well, they find it very easy to disrespect people who they think have no right to be in charge of them. I, therefore, hope that the application or the qualifications order would be the same for everyone, and that we should rid ourselves of these situations where persons, who do not have the type of qualification or training that the juniors have, could reach to the top to become Permanent Secretaries over such juniors.

Sir, the issue of training is one that has always been taken seriously in the Public Service. In 2002, there were 194 public officers who had full pay leave to pursue academic and professional studies. Sir, that might be a small number but it is a step in the right direction, while bearing in mind that all public servants cannot go off on training at the same time, neither would all be interested in training. During that same year, there were 1 000 public officers who were engaged in short-term training through the Training administration, where a lot of the training is done as well.

Therefore, training is an area which is still receiving great attention in the public service. It is unfortunate that the system cannot accommodate more people at the same time but that is something that has to be done over a period of time. Therefore, in due course, all of those officers to whom Dr. Lowe and others have referred, would get an opportunity. It is only a matter of time and would be done in phases.

Mr. President, in referring to the statement that I made at the time with reference to external competitiveness, Dr. Lowe has shifted it a little and has spoken about productivity at the domestic level. Sir, though I was not focusing on that point at the time, that is also an important issue.

If we look across the region and think about the CARICOM Single Market and Economy, where there are countries that have devalued their currencies and, therefore, at that level, in terms of price, are able to sell things in Barbados cheaper than we can because of the difference in the exchange rates. It is within that context that I spoke with regard to external competitiveness. If that happens, the only way that we could compete with them would be if we could find ways of improving our efficiency.

We are not going to be able to deal with it on the issue of exchange rate because to do so, we would then have to do the same thing that the other countries have done, and we do not believe that is what we should do. Therefore, we would have to find other ways. For example, of increasing our productivity, is one of the mechanisms that we would have to employ overtime in order to cope with that.

Senate No.8(43)

7.10 p.m.

Wednesday, December 17, 2003

SENATOR THE HON. E.R. GRIFFITH: Within that same context is the issue of the tax reform which the Government has committed itself to. First, to reduce the personal income tax rate to provide greater disposable

income to individuals and also the gradual reduction over time in the corporate tax rate which is aimed at bringing our tax systems in line with the one that exists across the region as our rates are different than other countries. If an investor has to choose between country A which has a higher rate and country B which has a lower rate unless there are other circumstances that will attract that investor he is likely to go where the tax system is more favourable. This is another consideration which Government has in mind when it seeks to bring down the corporate tax rate in line with what is happening across the region.

Mr. President, I will not detain Honourable Senators any longer on this issue because we have had a full debate on the matter and while there are some differences in terms of the procedures which have been followed, I do not think there is any member who does not seriously feel that it is not necessary and important for us as a country to so manage our affairs that we do not allow our expenditure to get out of hand and allow unnecessary large wage settlement to take place to lead us down that path.

Therefore, I beg to move that this Resolution be now passed.

The question was put and agreed to.

A division has been called for.

The bell has been rung.

The question that the Bill do now pass was put and resolved in the affirmative, the Senate dividing as follows:

Ayes: SENATOR THE HON. E.R. GRIFFITH, SENATOR THE HON. Miss L. V. EASTMOND, SENATOR T.E. BARKER, SENATOR I. St.C. LINTON, SENATOR Miss P. E. PARRIS, SENATOR I.G.P. GOODING-EDGHILL, SENATOR G.P.B. NICHOLLS, HER HONOUR DAME PATRICIA SYMMONDS, SENATOR THE VERY REVEREND H. E. CRICHLAW, SENATOR THE HON. Mrs. V. E. NEWTON, SENATOR B. R. COLLYMORE,- 11.

Noes: SENATOR F. J. STUART, SENATOR Dr. D. S. LOWE - 2.

On the separate motions of SENATOR THE HON. E.R. GRIFFITH the Resolution was read a third time and passed.

ORDER NO. 4 – RESOLUTION TO APPROVE THE CIVIL ESTABLISHMENT (TEACHERS) (AMENDMENT)
ORDER, 2003.

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

The question was put and agreed to.

ORDER NO. 5

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

Question was put and agreed to.

ORDER NO. 6

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

Question was put and agreed to.

ORDER NO. 7

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

Question was put and agreed to.

ORDER NO. 8

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

Question was put and agreed to.

ORDER NO. 9

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

The question was put and agreed to.

ORDER NO. 10

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

The question was put and agreed to.

ORDER NO. 11

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

Question was put and agreed to.

ORDER NO. 12

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

The question was put and agreed to.

SENATOR THE HON. E.R. GRIFFITH: Mr. President, I have been advised that this Bill has been certified as a money bill and such matters do not make their way to the Senate. I beg to move that this Bill be read a third time.

The question was put and agreed to.

S8/Sequence 44

7.20 p.m.

Wednesday, December 17, 2003

ADJOURNMENT

SENATOR THE HON. E. R. GRIFFITH: Mr. President, since it is unlikely that we will meet again before some time in the new year, I wish to take this opportunity to thank you and all Senators for your cooperation during the past months and to extend to you and your families the compliments of the season. I trust that you will have a blessed Christmas and a more prosperous New Year. I also wish to thank the staff of Parliament for their assistance during the past months and to wish all of them and their families a blessed Christmas and a prosperous New Year.

I look forward to continuing to work with all of you during the new year.

Mr. President, I beg to move that the Senate be adjourned sine die.

SENATOR F. J. STUART: Mr. President, before the adjournment is taken I would like to join the Honourable Leader of Government Business, and on behalf of the Opposition, to congratulate you on the competence, skill and patience with which you have steered the deliberations of the Senate over the last few months and to thank other

Senators for the insight which they brought to the many issues that engaged us. It was enjoyable for my colleague and myself. We enjoyed it both on the mountain tops and in the valleys and look forward to returning here in the new year to continue to do the people's business.

Mr. President, our enjoyment was enhanced by the assistance and the warmth which was extended to us by the staff of Parliament to whom we are very grateful. I want to take this opportunity to wish the compliments of the season and all the best for the new year.

I am obliged to you, Sir.

SENATOR B. R. COLLYMORE: Mr. President, on behalf of the Independent Senators I wish to share in the compliments of the season. I am grateful to you for your skilful handling of the proceedings here and I wish you and your family a very happy Christmas and a prosperous New Year. I extend the same good wishes to all other Senators.

Mr. PRESIDENT: Before putting the motion let me thank all Honourable Senators for their kind remarks. On behalf of Madam Deputy President and myself let me say how appreciative we are of the support, which all Honourable Members have given to the Chair. I would like to say that the Senate has enjoyed a reputation for the high standard of its debate and this, of course, has been the situation all year. If anything, it has been enhanced by the presence of new Members in the Senate who have done very well in recent months since they have been here. Today was no exception as we can judge by the cut and thrust of the debates and the sparks and eloquence which flew across the table from time to time.

Asides.

Mr. PRESIDENT: It remains only for me to extend to all of you and your families my best wishes for a very happy holiday season and a bright, prosperous, healthy and productive 2004. I would also like to extend those sentiments to the Clerks and the entire staff of Parliament, who I know had a long day yesterday and also today. We very much appreciate the work which they do.

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.

H4:Sequence 45

7.27 p.m.

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CRICHLLOW, Senator THE VERY REV. H. E.
EASTMOND, Senator the Hon. Miss L. V.
GODDING-EDGHILL, Senator I. G. P.
GOODING-EDGHILL, Senator I.G.P.
GRIFFITH, Senator the Hon. E. R.
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LINTON, Senator I. St.C.
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PARRIS, Senator Miss P. E.
STUART, Senator F. J.
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PATRICIA
TROTMAN, Senator SIR ROY

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Presentation of Papers, take-slip ‘House 8, sequence 1, 11:20:15’. The source records the laying of papers twice, either side of this take-slip: first under ‘PRESENTATION OF PAPERS’ with three items, then under ‘PAPERS’ with sixteen items, the first three being the same Orders. The fuller second version is printed and the first (about 40 words) has been left out. The take-slip itself reads ‘House 8’ although the other take-slips in this Senate sitting read ‘S8’. Please confirm.

Q3. Orders Nos. 5 to 12. The titles of Orders Nos. 5 to 12 are typed only as question marks (‘???’, ‘?????’ and so on) in the source, so the Resolutions passed under these Orders cannot be identified. Printed as in the source.

Q4. After Order No. 12. Senator Griffith moves the third reading of a Bill ‘certified as a money bill’ without any Order heading or title naming the Bill. Printed as in the source.

Q5. Order No. 3, division. The division on the Resolution is introduced as ‘The question that the Bill do now pass’, and the Resolution is then ‘read a third time and passed’. Printed as in the source.

Q6. Order No. 3, speech labels. Labels in the source include ‘SENATOR G.P.B. NICHOLLS’, ‘SENATOR I. G. P. GODDING-EDGHILL’, ‘SIR ROY TROTMAN’ without ‘SENATOR’, and Senator Husbands as both ‘Miss’ and ‘Mrs. S. C. V. HUSBANDS’. Printed as in the source.

Q7. Order No. 3 and Suspension. Senator Griffith addresses the Chair as ‘Mr. Speaker’ when opening the debate on Order No. 3 and when moving the suspension. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, 17th December, 2003 at 11.10 a.m., with Mr. President, Senator Sir Fred Gollop, in the Chair; prayers were led by Rev. Father Errington Massiah.

Apologies were received for Senators Grant, Sir John Goddard and Fields. The Leader of the Senate, Senator the Hon. E. R. Griffith, laid sixteen papers, among them the Civil Establishment (General) (Amendment) Order, 2003, the Judges (Salaries) Order, 2003 and the Senate and House of Assembly (Remuneration and Allowances of Members) Order, 2003. Standing Orders 45(2) and 22(1) were suspended so that the salaries settlement passed in the Other Place could be dealt with that day, and notice was given of the Ministers and Parliamentary Secretaries (Remuneration and Allowance) Bill, 2003.

Senator Griffith moved the St. John Ambulance Association of Barbados (Incorporation) Bill, 2003, noting that the Brigade had been established in Barbados in 1939. Senator F. J. Stuart and Senator Dame Patricia Symmonds praised the Association’s service. The Bill passed all stages. Senator Dr. D. S. Lowe then spoke on the Resolution to approve the compulsory acquisition of 53.5 square metres of land at Price Road, St. Lawrence, Christ Church for road improvement, raising tardiness by the State in paying for acquired lands, and the Resolution passed.

Order No. 3, the Resolution to amend the Civil Establishment (General) Order, 2003, carried the public service salary settlement. Senator Griffith said the wages bill was about 42 per cent of revenue and 52 per cent with related payments; CTUSAB had asked for 7 per cent at the top and 10 per cent at the bottom over two years, while the NUPW had settled for a three-year agreement with renegotiation if inflation exceeded five per cent in the third year. He added that the income tax threshold would rise from \$15 000 to \$17 500, and to \$20 000 from January 1, 2005. After the luncheon suspension Senator Stuart opposed the Resolution as endorsing the imposition of a salary settlement on public servants by parliamentary instrument, and argued that workers were always asked to hold strain.

Senators G. P. B. Nicholls, B. R. Collymore, T. E. Barker, Miss P. E. Parris and I. St. C. Linton supported the Resolution. Senator Sir Roy Trotman twice rose on points of order to correct Senator Linton, stating that he had negotiated pensions for Transport Board workers in 1972, and in his own speech said that CTUSAB had not agreed the wage settlement. Senators Mrs. S. C. V. Husbands, the Very Rev. H. E. Crichlow, the Hon. Mrs. V. E. Newton, I. G. P. Gooding-Edghill, the Hon. Miss L. V. Eastmond and Dame Patricia Symmonds also spoke, while Senator Lowe said the Opposition could not support it. Senator Griffith replied, and on a division the Resolution was carried by 11 votes to 2, Senators Stuart and Lowe voting No.

The Resolution to approve the Civil Establishment (Teachers) (Amendment) Order, 2003 and the Resolutions under Orders Nos. 5 to 12 were then passed without debate, and a Bill certified as a money Bill was read a third time.

On the adjournment Senator Griffith extended the compliments of the season and thanked the staff of Parliament; Senator Stuart joined him on behalf of the Opposition and Senator Collymore on behalf of the Independent Senators. The President thanked Senators, and the Senate was adjourned sine die.