
THE SENATE DEBATES

(UNOFFICIAL REPORT)

PARLIAMENT 1999 – 2003

THE SENATE

Monday, March 24, 2003

The Senate met in the Senate Chamber, Parliament

Buildings on Monday, 24TH March, 2003, at 11.15
a.m.

PRESENT

His Honour Senator Sir Fred GOLLOP, K.A.
(President)

His Honour Senator C. L. BOLDEN, C.B.E., Q.C.
(Deputy President)

Senator the Hon. J. X. Walcott, FRCS (Edin.), J.P.
(Minister of Health)(Leader of the Senate)

Senator the Hon. G. S. H. MURRAY, B.A. (Hons.)
J.P. (Minister of State, Prime Minister's Office and the
Civil Service)

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

Senator P. C. GODDARD

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

Senator Miss J. C. ODLE, J.P.

Senator C. A. MASCOLL, B.Sc. (Econ.) (Hons.),
M.A. (Public Finance)

Senator Mrs. P. E. RICKINSON, B.A. (Hons.),
M.P.H. (Harvard),S.R.N.

Senator C. K. LAURIE, D.I.C.T.A. (ST), FBSTA

Senator Sir John Stanley GODDARD, K.A., G.C.M.,
B.Com., F.C.A., Hon. LL.D. (U.W.I.)

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

Senator D. D. MARSHALL, LL.B. (Hons.) L.E.C.

Senator K. D. SYMMONDS, LL.B

Senator D. L. HAYNES, S.C.M.

Prayers were led by Father Errington Massiah.

Mr. PRESIDENT: This Senate is in session.

PAPERS

SENATOR the Hon. J. X. WALCOTT: Mr.
President, I beg to lay the following:

1. Report of the Public Enterprise Investment Fund
for the Quarter ended December 31, 2002.
2. Report of the Social Investment Fund for the
Quarter ended December 31, 2002.
3. Barbados Estimates of Revenue and Expenditure
2003-2004.
4. Schedules of Personal Emoluments 2003-2004.
5. Annual Report and Financial Statement of the
National Conservation Commission for the
period 1st April, 2000 to 31st March, 2001.
6. Annual Report of the National Sports Council for
the period 1st April, 2001 to 31st March, 2002.
7. Annual Report of the National Cultural
Foundation for the year 2000.
8. University of the West Indies (Guarantee of
Bonds) Order, 2003.
9. Report of the Judicial Council, 2002.
10. Annual Report and Financial Statement of C.L.
Limited for the Fiscal Year January 1 to
December 31, 2001.
11. Annual Report and Financial Statement of Hotel
Resort Limited for the Fiscal Year January 1 to
December 31st, 2000.

SUSPENSION OF STANDING ORDERS

SENATOR the Hon. J. X. WALCOTT: Mr.
President, I beg that Standing Order 45(2) be suspended for
the remainder of today's Sitting.

The question that Standing Order 45(2) be suspended for today's Sitting was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON J.X. WALCOTT: Mr. President, I beg to give notice of the Appropriation Bill, 2003.

FIRST READING OF BILLS

On the motion of SENATOR THE HON. J.X. WALCOTT, the Appropriation Bill was read a first time.

PUBLIC BUSINESS

ORDER NO. 4 – THE APPROPRIATION BILL, 2003.

SENATOR the Hon. J. X. WALCOTT: Mr. President, as I rise to commence the debate on the Appropriation Bill, 2003, I take note of the importance of this Bill as is exercised every year, but I must reflect that this year's seems somehow to be unique. It will be a unique debate in several ways. It will be unique because if we are to listen to what we are hearing, especially from the Other Side, most definitely this will be the last Appropriation Bill for this Senate.

It is being presented with a war in progress with the Anglo American Coalition and the declared war on Iraq, which certainly will have global consequences, to which I will speak later.

It is unique also at a time when we are being threatened with the withholding of aid by the United States of America, all related to this war.

It is also unique in the fact that it is occurring at a time when we are emerging from a recession, a recession in which social services were not affected and we did not have any social dislocation to which we had been accustomed in the last recession of this kind in 1991.

Sir, it is unique because it is occurring at a time when, throughout Barbados within the public sector, there seems to be a whole illness of strikes and work stoppages under the influence of the National Union of Public Workers. This seems to be occurring every week.

Finally, it is also unique because it occurs at a time in Barbados in which we traditionally refer to as the "silly season," a season when we suspect that elections might be near.

Sir, I would like to say this is no silly season. It is indeed a serious time and a sort of crossroads for Barbados

as a nation where we have a constellation of issues with which we would have to deal and to tackle if we are to survive as a small developing country within the world as it is in 2003.

With regards to the war, my Government's position is quite clear. We see war as a last resort, something that should be gone to when negotiations and meetings have failed. Certainly in this case, the Government's position is that the United Securities Council process should have been allowed to continue. We are not saying that we support Saddam Hussein, but we are saying the process entered into with the United Nations Security Council should have been allowed to take its course.

War is not something to be taken lightly. In war there is suffering, death, destruction, devastation and, in fact, no winners at the end of the day.

Since the Second World War, there have been 86 million deaths in wars since. This is something we should not at all take lightly. People who are worst affected are usually the innocent.

If I may even speak to the situation in Iraq. After the 1991 invasion, there were some 40 000 tons of depleted uranium which was left in Iraq. Figures from the United Nations for the 1991 to 1995 period showed there were a 700 per cent increase in the occurrence of cancer throughout Iraq, as a result of the spent uranium that was left.

I am speaking, not only of deaths that have occurred in the day-to-day battlefield activities, but of the potential consequences for years after and, will no doubt, have severe repercussions for years to come. Certainly, it will have effect on our economy. It can affect our tourism and our fuel cost, depending on the duration of this war.

I say this, especially at a time when we are emerging from a recession which has lasted from June 2001 to August last year. We are also emerging from a recession like other developed countries, for example, Japan, Singapore and many of the other Latin American countries. Again, I must reiterate that these are, indeed, serious times. This is not any silly season and, for these times, we need serious people to be in charge, to be leading, to be charting the course for us.

We need people who understand the intricacies of financial and economic management of small emerging economies. We need people who understand the issues of globalisation and trade liberalisation. We need people who understand what it is to take leadership roles within CARICOM.

These are not times for narcissistic, theoretical economists, who are subsumed by a rabid, though vacuous lust for power. Again this is a time for serious people.

Sir, in looking at the overview of the matter of economic issues, we need to display sound, financial and economic responsibility. Government is not necessarily looking at the short-term rewards but at the long-term interest of the country.

Certainly, from what I will be presenting at a later stage, one would see that we are not indulging in any pre-election excessive spending as has occurred before the 1991 election when a certain leader, at that time, said he would have never indulged in committing political suicide, then took the measures that were necessary and in another nine months, we had an 8 per cent wage cut and massive laying-off of persons. In all this, we are aiming to maintain our deficit at 4.7 per cent of Gross Domestic Product.

Sir, if I may review the figures of 2002-2003. The original Budgetary Programme for the Fiscal Year 2002-2003, was designed to produce a deficit at 4.3 per cent of Gross Domestic Product. This was calculated on the basis that there would be a negative growth in Real Gross Domestic Product of 2.7 per cent, inflation would have been about 3.2 per cent, there would be a negative GDP growth of 15.9 per cent in tourism and, in the trading sector, a negative growth of 7.9 per cent.

This Fiscal Programme was approved by Parliament on 15th March, 2002, and showed a current revenue of \$1 795.4 million and a current expenditure exclusive of amortisation, of \$1 661.4 million and a capital expenditure and lending of \$362 million, to produce a deficit of \$228 million, or 4.3 per cent of Nominal Gross Domestic Product, which was estimated at \$5 242.9 million.

Sir, however, this was not achieved. As I said, the original target revenue was \$1 795.4 million. Provisional data from the Accountant-General for the period April 1st, 2002 to 31st January, 2003, shows that Government collected current revenue of \$1 337.6 million, a decrease of \$28.6 million, or 2.1 per cent less than the current revenue for the same period in the fiscal year 2001 to 2002.

It is predicted that \$132.6 million would be collected for February and \$234.9 million would be collected for March this year. This will yield a revised current revenue of \$1 701 million. This will give a overall decrease of \$21.2 million, or 1.2 per cent less than the actual amount collected for the 2001 to 2002 fiscal year.

In the case of current expenditure, provisional data from the Accountant-General for the period April 1st, 2002, to January 31st, 2003, indicates that Government has incurred current expenditure of \$1 597 million, an increase

of \$83.6 million or 5.5 per cent over current expenditure for the same period in the fiscal year 2001 to 2002.

It is predicted that \$123.3 million and \$175.1 million will be spent during February and March this year to give a revised current expenditure, inclusive of amortisation of \$2 222.3 million.

Expenditure on wages and salaries is projected to be increased by \$32.9 million due to the arrears on salaries and the salaries increase paid last year. Expenditure on goods and services is expected to increase by \$14.1 million or 7 per cent over the 2001-2002 period, to \$213.9 million. This is primarily due to Supplementaries of \$10 million for the Barbados Drug Service and \$1.2 million for the Central Emergency Relief Organisation, to address the damages done by Hurricane Lili.

In the case of the revised capital expenditure for 2002-2003, it is expected to be decreased by some \$20 million or 5.8 per cent to \$326.8 million in 2002 to 2003. As a result, the current revenue of \$1 701 million, of which \$1 617.8 million is tax revenue and \$83.2 million is non tax revenue and lending. It is expected the total expenditure is projected to be \$2 222.3 million, of which \$1 657.2 million is current expenditure and \$326.8 million is capital expenditure. The revised deficit would then be \$283 million representing 5.6 per cent of Gross Domestic Product as opposed to the 4.3 per cent which was the target set last year.

In looking at the fiscal framework for the financial year 2003 to 2004, it has been formulated to attain certain limits. We are setting a fiscal deficit limit of \$253.2 million or 4.7 per cent of Nominal Gross Domestic Product.

One of the major strategic focusses of the Government would be the minimisation of job losses. In other words, we are aiming to reduce the fiscal deficit without raising taxes and while ensuring the minimisation of job losses but also using a gradual structured control process to reduce this fiscal deficit.

We are aiming to reduce the level of tax arrears which are outstanding by the major revenue agencies and also enhancing such collections. In addition, we are looking to implement a stabilisation programme which would involve reducing discretionary expenditure in order to cope with the global recession. There would be measures to reduce cost and enhancing revenues. These would include the fact that there will be no new major expenditure but would be attempts to close the loopholes in the tax system.

11.25 a.m.

Monday, March 24, 2003

SENATOR the Hon. J.X. WALCOTT: There will be introduction of alternative measures, for example, joint public/private sector arrangements. There will be rationalisation and restructuring of the State's enterprises and an overhaul for customer's valuation and reduction of the fiscal deficit at the Post Office.

The financial programme for 2003/2004 is targeted to generate a fiscal deficit of \$253.1 million or 4.7 per cent of nominal GDP at market prices.

The fiscal programme presumes revenue of \$1 780.4 million and a current expenditure of \$1 762.7 million and capital expenditure and lending of \$270.9 million to produce a fiscal deficit of \$253.1 million or 4.7 per cent of nominal GDP.

The next financial year current revenue is projected to increase by \$79.3 million or 4.7 per cent over the revised 2002/2003 level to \$1 780.4 million.

These Estimates have been constructed on the following economic assumptions. That there will be GDP growth of 1.3 per cent, that inflation will be at about 2.6 per cent, a tourism GDP growth of 4 per cent and a trading sector growth of 2.1 per cent.

The proposal is set for current revenue to be collected during the 2003-2004 fiscal year at around 33.2 per cent of GDP and this is in keeping with historical trends between revenue and Gross Domestic Product.

Taxes on profits and income are projected to increase marginally by \$2.7 million or 0.5 per cent to \$561.5 million. Income tax is expected to increase by \$6.7 million or 1.9 per cent to \$350 million.

On the other hand, corporation tax is projected to decline by \$7.5 million or 4 per cent to \$181.5 million due to reduction of the corporation tax rate.

Taxes on goods and services are expected to rise by \$39.8 million or 5.3 per cent to \$786.9 million. This is due to the VAT and excise duties which are expected to contribute \$525 million and \$150 million respectively in the next fiscal year.

In addition, import duties are expected to increase by 6.4 million or 3.9 per cent to \$170.4 million.

In the case of current expenditure for the next financial year exclusive of amortization of \$311.5 million, this is expected to increase by \$105.4 million or 6.3 per cent over last year's revised figures.

Wages and salaries are expected to decrease by \$41 million or 6.7 per cent to \$582.6 million. Obviously, the

absence of arrears of salary payment and the removal of the personal emoluments from the Queen Elizabeth Hospital in this category of expenditure will be the major contributing factors to this decline, bearing in mind that these funds for the Queen Elizabeth Hospital will now be transferred to the Board with effect from April 1, 2003.

Current transfers are expected to increase by \$188.9 million or 23.4 per cent to \$615.3 million and this increase is due to the fact that the Queen Elizabeth Hospital will now be managed by a Board. Funds are being provided from the Consolidated Fund by way of a transfer.

Total debt payments in 2003-2004 are expected to increase by \$102.9 million or 19.8 per cent to \$622.2 million. This is due to the inclusion of payments on behalf of the BAMC.

In the case of capital expenditure for the year 2003-2004, this is projected to decline by \$55.9 million or 17.1 per cent to \$270.9 million. It is expected, as I said earlier, that there will be a deficit of \$253.2 million. This will give a deficit of 4.7 per cent of GDP.

It should be noted that to reduce the deficit there will be no raising of taxes but Government will be concentrating on a gradual plan, structured programme to reduce the deficit of GDP over the next few years.

Amidst this fiscal austerity, I give the assurance to this Honourable House that social services will not be affected and we will not have the situation as in 1991 when there was an unemployment rate of 27 per cent.

Throughout last year, in the face of recession, we managed to keep our unemployment rate below 10 per cent. With all the changes that have been occurring and with globalisation and trade liberalisation, we need in Barbados to place our economic sectors in a position to withstand the effects of the removal of protectionist barriers which are likely to occur in the next five years.

We need to look at re-engineering our economic productive sectors and pay close attention to reform of agricultural production in this country if we are going to be in a position to withstand these changes that are likely to occur.

11.35 a.m.

Wednesday, March 24, 2003

SENATOR the Hon. J.X. WALCOTT: Sir, I should say that at present we are carrying 30 weeks in reserves and we are better off, in economic terms, than Singapore and Hong Kong.

In the areas of education, health and social transformation you will see that in spite of the recession, the expenditure on the Ministry of Education in 2001-2002 was \$341.4 million; 2002-2003 in spite of the recession this was increased to \$375.3 million and in the Approved Estimates for the next financial year is \$375.5 million. In the case of health, 2002-2003, this amount was increased to \$375.3 million.

In the last financial year, again in the face of a recession, there was no cut-back, \$318.1 million and in the coming financial year, \$310.3 million have been allocated. There is an apparent reduction but we must bear in mind that the South Coast Sewerage Project will be coming to an end this financial year and the amount of \$40 million which was allocated over the last year will be drastically reduced to \$8 million.

In the area of social security and welfare, in 2001-2002, \$200.9 million was expended and in the year 2002-2003, in the face of recession, the expenditure was \$204.2 million. In the coming financial year, \$214.5 million has been allocated.

Mr. President, you can clearly see that in spite of the recession, the Government has its commitment of maintaining the social services in this country.

Housing and community amenities: This was at \$44.5 million in 2001-2002. Last year this was increased to \$3.8 million and in the coming year it is projected to reach \$63 million. Again, the Government's commitment is being maintained.

This is important because it shows Government's commitment to providing health care and social services but especially providing education to the citizen of this country and education of the highest quality.

This is important especially at a time when so-called alleged leaders of other political parties are exhorting about the relevancies of qualifications at a time when these same people who referred to EduTech on the June 26, 2002 as a waste of time. On December 18, 2002 they said that if they had their way they would scrap EduTech and would give a computer to every house in Barbados, the alleged leader of the Democratic Labour Party, one of whose founding fathers allegedly created the concept of free universals education. It was basically his legacy and now we are hearing one of his grandchildren, so to speak, saying that qualifications are irrelevant and that qualification is a waste of time.

Asides.

SENATOR THE HON. J.X. WALCOTT: Sir, this is a classic example of someone achieving success, ascending

the ladder and once having achieved, he kicks it down so that no one else can follow the path which he travelled. These are the sort of people who are coming to talk about leadership in an era of globalisation and trade liberalisation, when we know that as a small developing country, we have real economic resources, we depend on tourism, we will depend on services and our people have to be trained and be skilled.

I do not understand how we can have people who are parading, it is alleged, as political leaders on one hand, who claim to understand the intricacies of globalisation, and yet do not understand that you need to have people trained in various skills and areas so that they can benefit from these changes in the trading services. Sir, I suppose that this sort of behaviour is expected, but I must caution that it is selfish and dangerous behaviour.

Asides.

SENATOR THE HON. J.X. WALCOTT: During the coming financial year, a number of major activities will be targeted. An amount of \$7.6 million has been included in this year's Estimates for the completion of the South Coast Sewerage Project. The Grantley Adams International Airport Expansion Project will continue, and a sum of \$14.8 million is to be provided in the Estimates to cover administrative costs while construction cost of \$53.7 million will be met from the project fund.

The sum of \$2.4 million would be provided for the Justice Improvement Project and the coastal infrastructure programme will commence this year at a cost of \$6.3 million.

The Ministry of Public Works and Transport will continue to carry out the road rehabilitation programme at a cost of \$7 million. The Scotland District Special Works Programme, which is being undertaken by the Ministry of Public Works and Transport, has been provided with \$2.4 million. Work on the Bridgetown Bypass Road project will continue at a cost of \$10.4 million. Renovations and improvements to police stations will be undertaken at a cost of \$2.3 million.

The relocation of tenants at the Selah Tenantry will proceed at a cost of \$1.8 million. EduTech's civil works for phases 2 and 3, equipment procurement components for phase 2, design and provision works for phases 2, 3 and 4 are to be undertaken at a cost of \$30 million during the 2003-2004 fiscal year.

Sir, approximately \$11.5 million will be spent on HIV Aids Prevention and Control Project. The sum of \$57 million is provided for the University of the West Indies and a subvention of \$50 million will be provided to the Barbados Tourism Association to facilitate marketing and promotion.

In addition to this there will be a number of off Budget projects. The Port Expansion Project spoke to the Deep Water Harbour, the redevelopment of Needhams Point, the Hilton Project, which I will address later in this debate, the Barbados Tourism Investment projects, the Jubilee Gardens, the Inner and Outer Careenage, the street-scaping of St. Lawrence Gap and phase 2 of St. Lawrence Gap, the Coast Guard Project, the Tamarind Hall Project, St. Joseph and the Housing Joint Venture Project.

Sir, all of these Projects will counteract the effects of the \$59 million reduction in capital projects.

Sir, I now turn my attention to an area of special interest to me, that is the Ministry of Health. For the next financial year, a sum of \$248 197 000 has been allocated, non-statutory expenditure. In the coming year in the area of primary health care services \$80.7 million has been allocated. In the area of hospital services, this not only includes the Queen Elizabeth Hospital, a sum of \$166.9 million has been allocated in the Estimates. In the area of care of the disabled a sum of \$202.3 million has been allocated. A sum of \$34.9 million has been allocated to the Drug Service and \$11.8 million has been allocated for HIV/AIDS Prevention and Control.

Sir, in the area of maternal and child care, the amount has been increased from \$16.5 million to \$17 million. We will be looking at providing water storage tanks and generators for the polyclinics in cases of emergencies. This is very important as part of a disaster programme which we entered into under the auspices of PAHO. We know that this is very important in the area of nutrition services.

The Ministry has been focusing on the promotion of healthy diets in an area where we have an increased incidence of non-communicable diseases. The amount allocated to this department has increased from \$700 000 to \$861 000 in the next financial year. I believe that this will play a more important part in the health care budget of this country as the years go by.

In the case of the South Coast Sewerage Project, the amount allocated last year was \$40.9 million and this year \$7.6 million is being allocated as this project winds down. I will deal with this subject later in this debate.

The amount allocated to the Sanitation Authority for the next financial year has increased from \$25.2 million to \$30.1 million.

11.45 a.m.

Monday, March 24, 2003

SENATOR the Hon. J.X. WALCOTT: Sir, in the case of the Solid Waste Project, familiarly known as the Greenland project, the allocation has moved from \$4.5 million to \$8.6 million in the next financial year and this would provide for physical facilities to be constructed during the 2003-2004 period.

Sir, in the case of the Psychiatric Hospital, the amount allocated has also been increased and this will move from \$23.7 million to \$24.9 million.

Sir, in the Care of the Elderly Programme, which are basically the geriatric hospitals throughout the island, the allocation has also been increased from \$22.8 million to \$24 million, again, showing the Government's commitment to health care and the provision of care for the elderly in this country.

In the case of an alternative care of the elderly programme where provision is made for payments to private nursing homes in respect of elderly persons who were assigned to their care, the amount allocated will move from \$1.8 million last year to \$2.6 million for the next financial year.

As I said, in the case of the Barbados Drug Service, this remains at \$35 million.

Sir, that is, basically, an overview of the allocations to the Ministry of Health. You will note that the Queen Elizabeth Hospital (QEH) remains the most important aspect, accounting for \$111 million. It has been extremely topical over the last couple of years.

Sir, I feel very strongly about this institution. It was constructed and built in 1964, that is, some 39 years ago. At that time it was seen as a sort of flagship for health care in the Eastern Caribbean. It was certainly a referral centre for many countries within the eastern Caribbean.

Sir, over the years, the services were extended and modified so that they expanded to the state where they have open heart surgery, neurosurgery, pediatric intensive care, surgical intensive care and dialysis units.

Sir, throughout the years, this institution has suffered from a lack of middle management and also from deficiencies in preventive maintenance programmes. There has been a general deterioration in the physical plant and

the quality of services which were offered at that institution.

There were a lot of criticisms and condemnations of what was going on at the hospital and the Government, in its wisdom, organised a Haynes' Commission, and I say of very dedicated individuals, three of whom are now Members of this Honourable Chamber, spent many long hours discussing, debating, researching. There were numerous town meetings held. Several individuals and groups made oral presentations and written submissions and numerous deliberations.

Sir, out of this came an interim report in which some immediate recommendations were made. When the final report was delivered, it spoke among other things, this is the Haynes Commission Report, the need for a Board of Management to deal with the affairs of this institution.

It was felt that it was too complicated and for greater efficiency, it needed to be removed from the whole control of the Ministry of Health and the Civil Service bureaucracy and it should be given some autonomy to improve its efficiency.

This is not a unique concept to Barbados, coming out of the Haynes' Report. I think the vast numbers of hospitals throughout the world are managed by boards, so this was just Barbados being suggested to fall in line. There was much discussion among the Members of the Committee and among the public, after the Haynes' Report became available.

There was some discussion about the proposed composition of the Board, how it would represent the different interest groups. At one stage within the Government there were concerns that you were setting up a board of management that would comprise of 10 individuals, and, that the Government should have, at least, five members being chosen by the Minister.

This was debated and disputed and the final composition that was agreed to, and was enacted in the Queen Elizabeth Hospital Act was that the Board would comprise of ten individuals. The Chairman and the Deputy Chairman would be chosen by the Minister and one other member. In other words, the Minister of Health would be involved in the selection of three of these members out of ten.

Other interest groups would be represented. Provision is made for representatives from the two professional groups, the Barbados Registered Nurses Association and the Barbados Association of Medical Practitioners. The trade union representation in the form of CTUSAB would also have membership. The Private Sector Organisation is represented, the Barbados Christian

Council, the Barbados Association of Retired Persons (BARP) and the University of the West Indies (UWI). In other words, a 10-member board, coming from a cross-section of areas within the society and where the Minister was in a position to choose three of these.

I must say that this was of concern to some of the unions, especially the NUPW. Their main contention was that in this situation, you would have a board of management in which a minister would have absolute power and he would dictate to this Board what should and should not be done and who could be hired and who could be fired and they kept using examples of other statutory institutions where these things had occurred.

In spite of the fact that the Minister of Health would have three people assigned by him, it could only be an absurdity that he would have absolute control over the representatives from the BARP, CTUSAB or the Christian Council. I think the feeling is really absurd to believe that having a board with this sort of composition that the Minister would have absolute control.

This would be a board with a difference. I do believe that there is no other board with a similar composition in Barbados. This has really been an effort to show that you are going to try to make a quality administration to run the QEH by giving it over to the Board which will have the responsibility of seeing after the affairs of the QEH.

Sir, I became Minister of Health in October 2001. I immediately commenced discussions with CTUSAB and the union, as a way of getting the whole process of evolution towards a board of management and to get that started. We started having discussions to look at how we would move the process forward, how we would deal with the staff issues and staff concerns, how we would deal with the transition period, bearing in mind that we knew that you cannot just proclaim an Act, put a board in place and expect everything to be transferred the next day. We expected that there will be long periods of deliberations and discussions with the representative trade unions.

Sir, the NUPW launched their case against the Board early. They had a brochure, which I am not going to refer to, and they advised members of staff, in spite of everything I said, that they should not sign up to the Board, that they should not assign to any secondment to any board, that this was just a short term measure, and the plan of the Government was to privatise the QEH in conjunction with the IDB. This is what they circulated in their brochure.

Then, they went on to say, in spite of everything written into the Act, which I just went through, in their circular to the staff that the Minister would have ultimate power and he would be selecting five or more persons for the Board, although the Act made it pellucidly clear that only three people would be appointed by the Minister.

I do not know how an institution that is so cash struck, but they still had the money to print all sorts of brochures, advising all sorts of things.

11.55 a.m.

Monday, March 24, 2003

SENATOR the Hon. J. X. WALCOTT: Sir, I find it curious that, as I was driving along, a piece of paper which was signed by a certain General Secretary, who shall remain nameless, blew into my car. On this paper, a person who is fundamentally opposed to a board at the Queen Elizabeth Hospital was saying:

“As the most represented workers’ organisation in the public sector in general, and at the Queen Elizabeth Hospital in particular, the National Union of Public Workers (NUPW) hereby makes representation to be included on the proposed Board of Management of the Queen Elizabeth Hospital.

We await your favourable reply.

Yours faithfully

General Secretary.”

So I am having some difficulty with that. On the one hand, I am hearing they are not in favour of a board, while on the other hand I can find a letter blowing across my desk which shows that they want to be included in this Board of Management. I really do not understand what is really going on. I am a bit confused.

As I said earlier, we always intended to work along with the trade unions. We figured that there would be transition period of one to two years during which time we would have meetings to work out the terms and conditions of service of members of staff, personnel regulations, the code of conduct, disciplinary procedures and all of the other issues which were outstanding, bearing in mind that the pension rights had to be guaranteed within the Act, and it was not our intention to put the workers at the Hospital at any disadvantage. The whole impetus was toward creating a very efficient system where there would be accountability.

The National Union of Public Workers (NUPW) has opted out of this discussion and they have gone public and

said they were not in favour of any board and there will not be any board at the Queen Elizabeth Hospital.

Mr. President, in all of this, I believe the Government has to govern. The National Union of Public Workers is not the only trade union which represents workers at the Queen Elizabeth Hospital. Some are represented by the Barbados Registered Nurses’ Association (BRNA) which is also a trade union. Some are represented by the Nurses Assistant Aides Association of Barbados (NAAAB) which is also a registered trade union. The founding President of that union sits in this Honourable Chamber. The doctors at the hospital are represented by the Barbados Association of Medical Practitioners, which is also a registered trade union, and some are represented by the Barbados Workers Union (BWU, so the NUPW is not the only trade union which is representing workers at the Hospital.

Suffice it to say, based on what I have said in this presentation, funds for the running of the Queen Elizabeth Hospital will be transferred into the Queen Elizabeth Hospital Board of Management with effect from April 1, 2003.

Hospitals have a role and a function which is to provide care and treatment for members of the population. They are built to care for the sick, which is their primary role. Hospitals are not created to create employment. They are created to look after those in the society who need care and attention. Therefore, there must be efficiency and accountability in the carrying out of the affairs of an institution such as a hospital. A hospital is not like any other government department. It deals every day with matters of life and death. Again there must be absolute efficiency and accountability in this setting.

Sir, I will cite some examples of the problems that the Hospital has had to deal with. Let us use one of the easiest scenarios, for example, the case of hiring medical staff. Doctors are on contract at the Hospital. The contract comes to an end. say September 30th. The procedure is that the doctor then has to go to the executive officer and indicate that he or she has an interest in continuing working at this Hospital. He or she then has to sign a form.

The Executive Officer then sends that form to the head of his or her department. The head of the department then has to assess that individual and write on that form whether they recommend that this person be given another contract. That is then sent to the Chairman of the medical staff at the Hospital who then has to look at everything that has been written on the form and then decides if he approves the recommendation or not. From there it is sent then to Hospital Director. The Hospital Director then has to send that file to the Chief Medical Officer. The Chief

Medical Officer then has to send that file, after she has seen it, back to the Hospital Director.

It goes from the Hospital Director back to the Executive Officer within the Queen Elizabeth Hospital to be sent to the Chief Personnel Office. From the Chief Personnel Office, it passes to my colleague to my right. After he sees it, it goes on to the Prime Minister's Office. It then goes from the Prime Minister's Office back down through that same pathway to the CPO, back to the Executive Officer and back to the Hospital Director before that doctor, who was probably working five to 10 years in the system, can get a new appointment, sometimes only for a year or two years. That is the process that you have to deal with in order to appoint one doctor who was already in the service. That is some of the bureaucracy we are talking about in the present system.

Let us look at the issue of procurements. Finances are done by line items and budgets. We have a situation where you are short. You have a certain amount of money allocated, let us say, for dressing. In September you have already utilised the amount that was allocated and you need funds to get more dressing. This has not been reported by Stores. The Administrative Officer then has to start working on a supplemental paper. This has to be sent to the Financial Controller of the Hospital. It has to be relayed to the Hospital Director. It has then to be sent to the Chief Medical Officer. It is then sent to the Permanent Secretary and then it has to be sent to the Minister of Health for his approval. It then has to be sent to the Ministry of Finance for their comments.

It then comes back to the Permanent Secretary of the Ministry of Health and it then has to go back to the Queen Elizabeth Hospital to be formalised to be sent back to Cabinet. It has then to be discussed in Cabinet before it can go to Parliament a week or two after. You then have to secure those funds from the Ministry of Finance. All you want to do is to buy a supply of dressing, but because your budget has been expended, you have to do all of that.

These are some of the issues you have to deal with in the present situation.

Asides.

SENATOR the Hon. J. X. WALCOTT: The final stage is the issue of study and training leave where individuals within the Hospital, the nurses, doctors, whoever want to apply for study leave. Again there is this long process of interviews and reviewing. In most cases people apply for study leave to go on programmes but when the decision comes through, the time has long past for then to have started the programme. Therefore, we are saying that these things need to be removed.

In the operation of a hospital you need to have, as I said over and over, greater efficiency. I really do not believe why people should still have some difficulty... If you believe there is a need for efficient health care at your only acute care institution, why are you trying to put obstacles in the way of having this done? As I said earlier, I feel very strongly about this issue.

Sir, no megalomaniac parading as any trade union leader, whatever the biblical derivation of his name, will determine how Government will run and manage the Hospital. If this individual - I am not calling his name - is going to decide how the Hospital is to be run, then he must be the latter day reincarnation of Louis the XIV who said that he is the State. This individual must be the State of Barbados that he will decide there will be no Board at the Queen Elizabeth Hospital.

Asides.

12.05 p.m.

Monday, March 24, 2003

SENATOR the Hon. J. X. WALCOTT: Mr. President, I do not understand how in the face of all that has been said in Barbados about the need for increasing care in the Hospital, the need for us to address the issues, how the public is asking for a board, yet we can have an individual standing and saying there will not be a board and trying to lead a number of people with him. Sir, I do not understand. I would believe that he would be non compus mentus.

Sir, we keep hearing about the Hospital and that all it needs is new management and proper allocation of funds for that institution to do what it has to do. In the year 1994, \$58.4 million was allocated to the Queen Elizabeth Hospital. In 1995, the figure was increased to \$67.1 million, an increase of over \$8 million. In 1996, we again increased it to \$70.4 million.

In 1997, it was increased to \$73.2 million. In 1998, it was increased to \$81 million. In 1999, it was increased to \$88.5 million. In 2000, it was increased to \$97.1 million. In 2001, it was increased to \$107.5 million. In 2002, it was increased to \$115 million. In 2003, we are allocating \$111 million - yet we are being told that all the Hospital needs is money and that there is no need for a Board.

I agree around the table that the problem is management. This is why we need a board to give it some autonomy to get the Hospital going again. Therefore, I do not think that Government can be accused of neglecting the Hospital. Government has shown its commitment. It has put its money where its mouth is. It is interested in health care and has continued putting the funds that it had thought

necessary into that institution. Now that we have put the funds, it is time we move on and get real efficiency and improve accountability.

Sir, we have heard remarks such as “things have been deteriorating”; “things could be much better at the Hospital”, “nothing is happening”, “people who should be studying for exams that they have failed twice, have time to be walking up and down the corridors of the Hospital, shadowing as Ministers of Health when they should be studying for mutual funds exams which they have failed over and over again,” et cetera. These are things we are hearing coming from people who do not even know the entrance or the exit of the Hospital, even if they see it, but yet these people are talking about health care.

Sir, as part of its commitment, Government has made available \$6.5 million to the Hospital for capitalisation in acquiring equipment to replace machinery and operating equipment that were obsolete, malfunctioning and had long past its life span.

Sir, the Hospital purchased a Stealth Neuro-navigational system, which cost \$496 000 to be used in Neuro-Surgery. New operating theatres were acquired at a cost of \$800 000. Throughout all the departments of the Hospital, new equipment and equipment have been ordered.

In the Accident and Emergency Department, we have purchased four new ECG machines. For several years, there was one only. New defibrillators have been purchased, new blood gas analysers, new ventilators, new beds, all purchased for the Hospital, yet we hear that nothing is being done.

In the case of the Department of Medicine, a new Pentax video bronchoscope and a new Pentax video gastroscope have been acquired. Yet we hear nothing is being done. We have even replaced two out of the three refrigerators that were in the mortuary, and yet we are hearing that nothing has been done.

In the Ear, Nose and Throat Department, there are new flexible laryngoscopes, new Welch Allyn “lumiview” head mounts, new Midmark 491 power Otolaryngology chairs.

In the Laboratory, there is a new controlled bench top centrifuge machine. My Honourable Friend, the scientist in some regard, would know that a new Spectronic Genesys Spectro Photometer has been acquired in the Laboratory, so that he might be able to find something to do when he comes there. There is also a new Olympus Research Brightfield Microscope that has been acquired, a new Cryostat 220 voltage and accessories and a new auto

retracting Rotary Microtome. All of this to help with the processing of samples within the Laboratory.

We have even addressed issues of equipment in the Laundry. There is a new washer for \$198 000.

In the Department of Neurosurgery, new Z-plate 11 Anterior fixation supply systems to deal with skull fractures, et cetera, have been acquired.

In the area of patient care, there are new bedside chairs, new commodes, new mattresses, et cetera.

In the Ophthalmology Department, a new Mar. 1150 GS Ultra Slit Lamp has been acquired and a new Mar. 6400 Auto Chart Projector, yet nothing is changing.

In the Pediatric Intensive Care Unit, there are new Datex Ohmeda Compact Monitors, yet nothing is being done.

Sir, in the Department of Physiotherapy, which I am certain a lot of Members will need after the upcoming events, a Lumbar Traction Table has been acquired. A Hydraulic three-sector Treatment Plinth RH, and a Continuous Pass Motor Limb Optiflex and accessories have been acquired.

In the Department of Radiotherapy, we have acquired new Gulmay Medical System equipment for cancer treatment at the cost of \$408 000.

In the Department of Surgery, we have acquired a new Steris Surgical Table and accessories and a new reusable Biopsy System.

Sir, this is a list of equipment that has been acquired over the last financial year at a cost of \$6.5 million. Yet we hear that nothing is being done.

Sir, I go further. In addition to the equipment that has been acquired, a lot of work is being done on the Hospital. In the year 2000, there were numerous problems with the aircondition system within the operating theatres, with fungal infestation and with patients and members of staff complaining. It was found that the air-condition unit needed a complete refurbishment. Government took the wise decision at that time that the entire hospital suites should be refurbished. This is being done and is expected to be completed by the end of this month.

Apart from the retrofitting of the entire air-conditioning system, this would include installation of new theatre lights, new sterilizers, new intercom system, painting and replacement of windows.

Sir, when I speak about painting, I was criticised last year in this debate when I said that the Hospital appeared like a national disgrace. I am pleased to say today that the Hospital has been painted. A temporary building has been erected to assist the University of the West Indies. There has been the refurbishment of the nurses' changing room, which was a sore point with the Nurses and Nursing Assistant Association of Barbados and the Barbados Registered Nurses' Association for several years. This has been done.

There has been the replacement of ceilings in Ward A5, A6, the "C" Floor and Medical Out-Patients Department, yet we are hearing that nothing is being done.

As part of the security, there has been the improvement of security done along the John Beckles Drive, yet we hear that nothing is being done. Sir, we know that Rome was not built in one day and the Hospital that was built 39 years ago, cannot be refurbished in one year.

Sir, the roof of the laundry has been changed. There has been refurbishment of Wards B5, B4, C7, C8 and part of B1. Obviously, all of the wards cannot be refurbished in any one year because basic commonsense would dictate that the patients would have to be shifted from one ward to the next while the refurbishing is in effect.

In the case of the X-Ray Department, there has been the refurbishment of Room 5. The Reception area has been built. There is the installation of a new machine. New equipment is being installed in the Radiotherapy Department.

We had problems with the emergency generators at the Hospital. One of them has been over 30 years old and was having problems supplying power to that institution. We have sent out tenders and are looking at quotations to get new generators. In the interim, we have put in place a temporary facility where we are renting a generator from the United States to maintain electrical capacity to that institution in case of any power shortages. Mr. President, yet we hear that nothing is being done. What else are we supposed to do?

12.15 p.m.

Monday, March 24, 2003

SENATOR the Hon. J.X. WALCOTT: I do not understand what we are supposed to do because we can only do so much in any period of time and these Estimates tell what is being done.

Sir, Government has given the green light to the Board in the next financial year to look at the amount that would be needed to recapitalise the Hospital completely. I

spoke to \$6.5 million but a figure given in 2000 was \$23.5 million. Government has given the Board the green light to go ahead and secure the financial package to do a complete recapitalisation of the institution in the quickest possible time.

Sir, Government stands committed to the redevelopment and expansion of the Queen Elizabeth Hospital. The Hospital is 39 years old and the services offered have increased over the years. We have expanded our services and the problem of overcrowding on many wards in the medical and surgical because there were constructed to accommodate 24 patients but some days there are 32 patients on the ward. There is obviously a shortage of space in the Hospital. There are cramped conditions in the Outpatients' Department and Government said it was time to look at a comprehensive redevelopment plan for the Hospital.

Sir, \$1 million has been committed in the Estimates for the consultants to look at the Hospital to review the various rationalisation studies done, to look at reports from various heads of departments and come together with a comprehensive plan for the redevelopment of the hospital.

It will speak to the best place for this expansion to occur, how large the project should be and it will look at the general flow of resources within the hospital and the allocation of space. Government is committed to the hospital expansion project.

Recently, after negotiations with the European Union, there was the commitment to grant funds to assist us in the hospital in the area of computerisation and the development of a new state-of-the-art cardiac unit providing various antiographic facilities for cardiac investigation and making antipasto available in the public sector in Barbados because most outpatients for angioplasties had to be sent to Trinidad, Puerto Rico or North America to obtain these services.

I must comment at this point in time about the issue of nursing shortage and migration that is affecting us. The problem is an irritating one, but this must be taken in the context that throughout the world, there is an apparent shortage of nurses. There is the process of migration of nurses throughout the world. Nurses from the United Kingdom have been migrating to North America where it is more lucrative and nurses from Barbados have been migrating to the United Kingdom and the USA.

In the case of Barbados and the Caribbean, PAHO has done a study that shows that the remittances from nurses after migrating for five years are quite substantial. In the case of Barbados, we are working assiduously to address this problem. We had consultation with the nurses to look at a strategic plan for nursing within the context of

health. There is a commitment that we should trade more nurses with the understanding that some will stay here but that a lot of them will leave. Sir, there is nothing wrong with that because we do not have natural resources so we can train people for export since we have a sound education system.

There are 163 people being trained in various nursing disciplines at the Barbados Community College. For the year 2002, at the Queen Elizabeth Hospital there were 23 resignation and 7 from the Psychiatric Hospital making a total of 30, and I assume that the majority of these nurses went overseas.

Sir, before nurses can practise, there is a regional nursing examination which they are expected to sit and pass and there will be two sittings of this examination this year. The first is scheduled for April 2nd and 42 nurses will write that examination. The other sitting is in October and 30 nurses from the Barbados Community College will be expected to write the examination. Between now and November, there will be 65 new nurses in Barbados available to help alleviate the situation of nursing shortage. We are making inroads in that regards but we need to plan to train more nurses for the foreseeable future.

The allocation for the Psychiatric Hospital has increased again. Honourable Members should visit the Hospital to see the work going on there, yet we are led to believe that nothing is being done in health care. A physical transformation is occurring. There is a new reception area and emergency wing. We have begun to move away from the old custodial cell block situation and there is an open, inviting atmosphere.

A new rehabilitation unit has been recently opened catering to 30 persons. This is the direction in which we are moving in mental care which is part of the mental health reform process which is universal.

Barbados led the world years ago in mental health but we somehow lost our way because the world is speaking about reducing the number of persons institutionalised which we had moved to in 1980 when we had out community mental health programme. We stopped the programme for some reason and the world is now moving towards community mental health and we are now trying to catch up. The physical transformation of this institution is in keeping with this feeling.

I must inform you that at least 250 people at the psychiatric hotel were not there because of any particular psychotic problem but were admitted because their relatives were unwilling to look after them. We have to address this problem and we are transferring these individuals to half-way houses.

The Barbados Drug Service is a vexing problem that has generated all sorts of comments and queries. People are misinformed and misled and are discussing pharmaceuticals which they know little or nothing about. The Drug Service commenced in 1980. A user fee was charged on prescriptions and it was limited to people over 65 for specific categories of drugs and for children under five years old.

12.25 p.m.

Monday, March 24, 2003

SENATOR THE HON. J.X. WALCOTT: Sir, in 1986 the Government, in its wisdom and revolutionary process, post May 1986, decided that the user fee should be abolished. At the same time that this was abolished they increased the number of categories of people who could benefit from the Drug Service.

Since then, the cost has been escalating yearly. We have expanded it. We have included a number of disease categories. We have increased the age from 5 to 16 for those who could benefit at the lower end and more expensive medicine available to Barbadians. The Drug Service, as it obtains in Barbados, is unequalled in this part of the world.

In the great United States of America, there is nothing comparable with the Barbados Drug Service. Unless you have Medical Aid, there is no way you can get access to this medication free of charge.

I think that Barbados has done very well for its 23 years of existence. Over the past 23 years cost has escalated and \$35 million has been allocated this year. In 1995-1996, the expenditure on the Drug Service was \$19.5 million. In the year 2000 it was \$30.4 million and last year it was \$35 million. Sir, this has nothing to do with the HIV budget. HIV is accounted for under the HIV Treatment and Control Programme under the Ministry Of Health.

Mr. President, 23 years is adequate time for us to have a review of the Drug Service and this is what we have started to do. This is information for those who do not understand what is a prescription and a reimbursement form. A prescription is what the patient is given by the doctor to take to the pharmacist. The reimbursement form is what the pharmacist fills out after he has dispensed the drug to that prescription and submits to the Barbados Drug Service. To all those who are shadowing insurance and pretending to be health specialists, there is a difference between a prescription and a reimbursement form.

The reimbursement, as it is now, as is obtained until September 2003, the pharmacist is going to dispense the drug on that prescription and submit the reimbursement

form to the Barbados Drug Service. There was no way in checking to see what was prescribed on that prescription and what was being dispensed and the pharmacist was dispensing what was being dispensed.

The Auditor General has found serious fault with this and we have introduced a duplicate prescription as a means of dealing with this, so that three reimbursement forms will be submitted with copies of the prescription. This has caused consternation and we have been told that we are trying to change things unilaterally. We are trying to reform the system to make it efficient for all Barbadians. We cannot have the system running out of control.

In addition, we have started to computerise the public pharmacies by introducing a software programme which will allow us to look at monitoring drugs to determine whether or not the patients are using the drugs, et cetera. There is a lot of wastage of drugs in the society. Some patients go to the pharmacies and repeat drugs monthly and do not take the medication and they repeatedly go to the pharmacies and repeat their prescriptions.

We have had cases where pharmacists have reported that there are patients who have brought tablets to them trying to sell them to the pharmacists after they have obtained these tablets from the pharmacy and have accumulated them over time.

Asides.

SENATOR THE HON. J.X. WALCOTT: Sir, pharmacists have reported this type of behaviour.

Sir, we are looking at an audit of the Government's pharmacies because this has not been done for several years. We are also looking at the whole system of computerisation of the Barbados Drug Service, which is absolutely necessary in order to control some of the losses and wastage in the system.

Mr. President, we can say that we are moving ahead trying to reform this service. At present, I am having negotiations with the private pharmacies. We have almost reached completion of a new agreement with them. The last one was drawn up in 1986 and this is 17 years later. We are pressing ahead with those discussions and we hope to reach an amicable settlement in the not too distant future, realising that we must work together with the private pharmacists and trying to encourage them to understand that the survival of the Barbados Drug Service is dependent on both Government and the private pharmacists in trying to reach a rational and realistic middle ground.

Sir, in the case of the South Coast Sewerage Project, the allocation has been drastically reduced. This Project is

due to come to an end by the end of March, 2003. The process is one that the Government has received a lot of criticism but it is a project that is vitally necessary. If we are moving ahead and we see ourselves as a tourism destination of note, there must be a need to protect our near shore water reserves, marine life, coral reefs, our ground water resources and sanitary conditions in general.

This Project was discussed and agreed to as far back as 1992. As a matter of fact, the first agreement was signed with the IADB and the European Investment in 1993. The actual supervision contract was signed in April, 1994 and in 1992 we agreed that the Project was scheduled to be completed by 1998. We discussed the Project in 1992, we signed contracts in 1993 and 1994 but we said in 1992 that the Project should be completed by 1998. However, two years had lapsed before it got started.

The Project was beset with problems with the first contractor and there were concerns that their bid was US\$22.1 million, this was US\$10 million less than the next lowest bid and it was US\$12.6 lower than the average of the other bidders. It was obvious that this bid was not going to be a realistic one, but we were under the constraints of the IADB.

The work obviously involved the construction of a treatment plant, a 1.1 kilometre outflow, approximately 40 kilometers of main lines, 5 kilometres of micro tunnelling, 4 lift stations and the sewerage of 3 000 properties. This is not a task that is easily achieved, especially on the southern part of Barbados.

Sir, F.& C were unable to cope with the contract and in 1998 their services were terminated. The contract with them is now in arbitration and we had to acquire the services of Soares da Costa to complete this Project. This took some time to complete and we have incurred increased charges. The Project was budgeted in 1992 at US \$73.1 million and this was later revised that year to US \$80 million. Sir, because of the problems which I mentioned, we have incurred increased charges.

In addition, there were problems with Soares da Costa. It took 18 months after the tenders had been discussed to get the paper work in place. We incurred another charge for these delays.

However, I am happy to say that the structural part of the Project is now nearing completion. This caused much disruption and hardship on the lives of many Barbadians but it was a process that needed to be carried out. I am certain we have learnt a lot from our mistakes in this Project and hope that they would not be repeated in the West Coast Sewerage Project. Sir, there will be an operation assistance programme over the next year and

eventually this will be handed over to the Barbados Water Authority.

We are currently looking at a number of properties and businesses that were affected and a cadre of lawyers are having negotiations, and Government is committed to having realistic compensation being paid to these individuals, providing their claims are substantiated. We are working assiduously in trying to have a number of these matters resolved because they have been outstanding for a considerable period of time.

In the case of HIV/AIDS, the commitment of Government has been maintained. In June, 2002, we opened the Ladymeade Reference Unit which makes Barbados the first country in the entire Caribbean to offer CDC and viral loads and free anti retro viral therapy to all who need it,

12.35 p.m.

Monday, March 24, 2003

SENATOR the Hon. J.X. WALCOTT: The main provision this year is \$1.2 million which is provided for the construction of a food bank and Drop-in Centre in the same Ladymeade area for the members of this community so that they could be counselled, indulge in social activities, have access to a nutritionist, learn how to cook, because nutrition is very important to the whole treatment of HIV/AIDS, have a room where they can have exercise, indulge in occupational therapy and they can have their own meeting room where they can meet and discuss issues, not only the individuals who are afflicted but also the relatives, and this is the whole purpose of this food bank and Drop-in Centre.

Sir, the intention is not to have segregation but to have their relatives and friends coming and socialising with them and other people who have been unfortunate enough to have been afflicted by this disease.

In the case of the Solid Waste Department, a lot has been said about \$30 million being wasted. I checked and found that it was \$21.5 million which was expended on Greenland. We all know that the tendering process was restarted in January, 2000, and was suspended, pending a protest that was made by one of the proponents of the annulled tender.

The Government of Barbados received the Bank's, "No objection" in June, 2001, and the process was restarted. Fifty-seven firms expressed an interest and 22 of these purchased pre qualification documents. Applications were received from five companies. These were evaluated and the evaluation report was submitted to the IDB in November, 2001.

The firms failed to satisfy criteria and following discussions between the Solid Waste Department and the IDB, the criteria were readjusted and the process was revised. The 22 firms were given the opportunity, again, to submit applications. The revised applications were opened in April 2002 at which time submissions were received from six firms, including all of the five firms which had submitted in the previous process.

The review process was started in May last year and an evaluation report was submitted to the IDB in July, 2002. The IDB's "No objection" was received at the end of July, 2002, and the four recommended firms, pre qualified to submit technical proposals.

A "Request for Proposals" document was originally drafted in October, 2002 and completed in draft in November, 2002. This was submitted to the Solicitor General's chambers and to the Legal Adviser of the Project Unit for their review. The revised "Request Proposals" document was submitted along with the revised cost estimate to the IDB and the Bank's "No objection" at the beginning of this month. This is where we are with the tendering process for the solid waste utilisation of Greenland.

Sir, I mentioned that there is an increased allocation for the Sanitation Authority. This has to do with the construction of a new cell at Mangrove. It was understood, I believe, that two or three years ago, with the problems at Greenland, the whole process of tendering, we would need somewhere to collect the garbage for the next three to five years. A decision was made two or three years ago, I believe, to acquire an additional piece of land at Mangrove and to develop a cell.

As I speak to you, this cell is being constructed and it is expected that it will be completed towards the end of this year. As I said, it was expected that we would not be able to store garbage there for the next three years, while the whole tendering process has been sorted out.

Sir, having said this, I must say that the Government is not putting all its eggs in one basket. We are looking at the technologies that are available in the management of solid waste, especially in a small country like ours which has limited land resources and who cannot just invest in landfills ad nauseam.

We certainly need to look at other issues. There has been a feasibility study done recently by a group looking at other methods. Of course, there is the whole issue of incinerators and there is an area of anaerobic digestion process that we all need to look at. Gasification is also an issue. Some of these technologies are extremely expensive but we certainly need to look at the whole area of anaerobic digestion, combined with recycling, although recycling is

not as popular in the developed world as it was a few years ago.

We are also looking at the possibility of incinerators although I heard recently, the shadow Minister of insurance, speaking about the need to have 10 incinerators in Barbados. I do not know if that is the way for a country the size of Barbados to have 10 incinerators.

Asides.

SENATOR the Hon. J.X. WALCOTT: a shadow minister of insurance who parades as a medical consultant from time to time, depending upon which script is written and by whom.

Sir, we will have 10 incinerators calling on the land of windmills but Barbados will have 10 incinerators, a new tourist attraction and this is what they want to tell us.

Asides.

SENATOR the Hon. J.X. WALCOTT: Sir, I cannot spend all my time on health, without commenting about some of the other Ministries. Certainly, the Ministry of Social Transformation is one Ministry that has come under a lot of unfair criticism.

Sir, the Ministry of Social Transformation is not about transforming a whole society, but about a number of other things. Certainly, it has a number of departments under its control. It deals with community development, welfare, national assistance, child care, poverty alleviation, gender affairs and urban development.

We need to look at some of these projects, especially in a time when we heard an alleged leader speak about quoting a Chinese proverb about not giving someone a fish but teach them to fish.

An ideal programme of the Ministry of Social Transformation is the community art programme which is offered in Speightstown and Bonnetts, coming under community development where 150 persons have been trained, 90 men and 60 women, in courses of drawing, illustrations, graphic arts, animation, computer graphics and they have done well. Many of them have found employment as a result of this and some have embarked on their own businesses.

This, I believe that the Honourable Member would agree with me is truly showing someone how to fish as opposed to giving them fish, or giving them a weedwacker and/or some pineapples or grapefruits and telling them to sell them. This is what I call empowering of the youth, teaching them how to become artists, utilising their skills which may not have been discovered. They might have

been latent skills. As I said, this is what is called, teaching them how to fish.

In the community, the technological programme is another programme in which you will recognise the area of globalisation. You will recognise that as we move on in this world at this time, you need to offer trade in the area. There will be capital flows, labour and information and you are making these things available to people in Barbados who might not otherwise have the opportunity to be exposed to computers and information technology.

This programme was launched in May, 2001, and there are many centres that have been computed. There are, St. Marks, Bonnetts, Bush Hall, the Valley, Weston, St. Elizabeth, Black Bess and Speightstown. There are plans in the next year, to introduce this programme to Grazettes, Briar Hall and Gall Hill in St. John.

Over the years, a number of people, in addition to having the computers available, there are also training programmes which cover such areas of word processing, introduction to the Internet, Excel, Spread Sheets, introduction to Access. Sir, many people have benefitted. So far, 397 persons have successfully completed the programme. As I speak to you, some 660 are attending training programmes throughout the length and breadth of this country.

Apart from empowering the community, some community volunteers have come forward and are looking for these Centres on weekends and playing their part.

12.45 p.m.

Monday, March 24, 2003

SENATOR the Hon. J. X. WALCOTT: This is another area in which you can clearly see Government's commitment to teaching people how to fish and encouraging them to have qualifications in Word Processing and these basic things as opposed to giving them weed whackers and telling them to go and cut bush or to sell fruits.

We have heard a lot about the Rural Development Commission. We have heard about squandermania. We have heard about contracts being given to contractors, but what is it. At one stage you are told that you are giving all your contracts to the larger businesses and that you are not empowering the small contractors, but then when you attempt to do that through the new Rural Development Commission and the Urban Development Commission, you are criticised. What do they want you to do? Should you continue giving the contracts to the large contractors, should you try to give them to the small contractors or should you not do anything? Which is it?

Having said that, what is the record of the Democratic Labour Party on poverty in the urban areas of this country? What do they have to show? That is just a question.

The Urban Development Commission does not deal with houses only, it deals with a capital works programme where it deals with road resurfacing and the building of concrete roads. In this coming year, they propose to construct concrete roads at Simmons Land, Balsam's Gap, Akita Drive, Risk Gap, Northern Drive, Paynes Bay, Paddock Road, Seaman's Village, The Gulf and Thompson Gap.

In St. Michael North West work will be done on Hinkson's Gap and Moore's Gap. I do not know if those gaps are known to any member of this Honourable Chamber. In the case of the asphalt road programme, numerous roads have been done since the programme was started and numerous concrete roads have been completed.

Another aspect of the work of the Urban Development Commission is the transfer of titles in urban tenancies. This is also a very important process in this whole empowerment and this whole issue of poverty alleviation by making people feel a part and a sense and in the giving of value that they can have a piece of this rock. This programme will allow some 3 000 households living on over 200 identified tenancies to improve their standards of living by giving them the ability to acquire the piece of land on which they have been living for several years, in a situation where Government will pay the difference in cost between the \$2.50 per square foot to be paid by the tenants, and the market price of the land. This is really a very important process, especially when we say that owning a piece of land is very important in our psyche.

The Urban Development Commission has done a lot of work in the construction and repairs of houses. Some 681 houses have been repaired and 338 houses have been constructed. This has also empowered a number of small contractors who have been able to work in these programmes.

The Rural Development Commission plays a similar role in improving the quality of life of persons living in the rural areas. They have also been involved in the construction of houses, house repairs and improvements to roads.

In this year's Estimates, \$13 million has been allocated to it. It is expected that some \$350 000 of this would be expended on market facilities as Government planned to construct a new facility at Bathsheba to cater to the needs of the vendors in that area. Facilities at Redman Village, St. Thomas, Jackson and Six Roads are also being contemplated in the new financial year.

The Rural Development Commission also assist in the installation of water and electricity for those who are unable to afford them. A number of asphalt roads are being targeted for the next financial year. These would be at King's Village, Belair, Pegwell Boggs, Exchange Hill and Byde's Mills.

There is also the allocation of \$5 million to be spent on the concrete road programme. This will deal with roads at Mount Friendship A, Skeete's Road, Belle's Land, St. Patrick's A and B and Greenidge Road. This also shows, Mr. President, that the Rural Development Commission plays a very important role in the refurbishment and the rehabilitation of roads in the rural constituencies.

The Rural Development Commission received \$2 million from the Poverty Alleviation Fund to carry out improvements in housing. In the last financial year, some 24 new houses were built, 78 were extensively repaired and bathroom facilities were provided for 42 people. In addition, there were also electrical installation and water installation for 49 people, so the Rural Development Commission also plays its role in the alleviation of poverty in our community.

The Housing Credit Fund also plays a very important role. It has made 6 per cent interest on mortgages and 100 per cent mortgages available to homeowners whose household income does not exceed \$36 000 per year and who, prior to this, would not have been able to afford a mortgage or indeed to acquire their own home. This has been extremely useful to a large number of people across Barbados.

Government has also moved toward long-term mortgages. We have 40-year mortgages for the younger people. This encourages them to embark on owning their own homes. The 6 per cent interest on mortgages introduced by Government has now been followed by the private sector and numerous banking institutions are now offering rates at 6.9 per cent in trying to catch up, so to speak, with the Government's position. Government has introduced 100 per cent mortgages for low income borrowers and this is being followed now in the private sector with 95 per cent. CLICO Mortgage and Finance Corporation is offering 97 per cent mortgages.

In this area, Government has shown again its commitment to empowering the poor and the powerless in this society by showing them how they can get affordable homes. For the last financial year, the Housing Credit Fund disbursed some \$10.6 million in 129 loans to Barbadians to obtain their own homes, so there is no doubt about the role that is being played by the Housing Credit Fund under the auspices of the Ministry of Housing and Lands.

The National Housing Corporation (NHC) continues to acquire land to make lots available to the masses of Barbadians who continue to cry out for housing needs. It is the commitment of the National Housing Corporation (NHC) to continue to do so.

In addition, Government would be moving within the next year into the sale of rental units. This would be done in a number of phases. Phase 1 will involve the sale of 450 units which already have part walls. These are located throughout Barbados. There are 100 in Bonnetts and 69 at Rosemont, Deacons Road, St. Michael. There are also units at Haynesville, Maynards and Church Village. The Board has recommended that there will be a rebate up to a maximum of \$5 000 per unit in lieu of repairs and a concession of up to 40 per cent of paid rents. The selling price for these units would be about \$2.50 a square foot.

There will also be a phase 2 which would come on stream and the prices will vary. We are looking at the proposed selling price for the units at Bayville, the Pine, St. Stephens and Sayes Court. In phase 2 a three-bedroom unit would be \$5 000, a two-bedroom unit \$3 750 and a one-bedroom unit \$2 500. These proposed prices are aimed at allowing people to have their own houses. These prices would look at the number of years that individuals have been resident in these housing units.

Sir, in the area of Public Works and Transport, the Government continues to show its commitment to the development of a proper road network in Barbados. This year the sum of \$50 130 000 would be spent in the road works programme.

12.55 p.m.

Monday, March 24, 2003

SENATOR the Hon. J. X. WALCOTT: Mr. President, \$34.6 million will be going towards programmes such as the construction of Highway W, which is Constant to Mapp's Hill, Highway M, which is the Airport to the Crane, and Highway C, which is Trents to Orange Hill. Civil works would be undertaken at a number of areas such as Constant to Mapp Hill and the design work on the widening of the ABC roads.

In the area of residential road construction and maintenance service, \$1 million has been allocated to this area for roads in the various parts of St. Michael, St. Thomas, Christ Church, St Philip and various parts of the island.

The Bridgetown Bypass Road Project, to which I spoke earlier, has been divided into three sections: A, B and C and has 12 phases. Progress to date is as follows:

Section (A) University Drive to Eagle Hall is now completed. Sections (B) and (C), Welches to Garrison, Highway 7, is near completion. Out of the funds allocated, \$10.4 million for this next financial year, would be to complete the area of Dalkeith to Bush Hill; Bush Hill to Highway 7, President Kennedy Drive to Baxters Road, White Park Road to Roebuck Street. In spite of the recession, one can see that Government is maintaining its commitment to health and to the social services in this country.

We are at the crossroads where decisions have to be made. We do not know how long this war would go on. We do not know of the eventual repercussions to our economy but we are pressing ahead in the face of these challenges. In addition, we are faced with the negotiations in the Free Trade Area of the Americas, the World Trade Organisation and the European Union, moving towards globalisation.

Mr. President, bearing in mind that in these negotiations, we stand to lose as much as \$170 million in duties when many of the protective barriers are removed as we sign onto these treaties, this is a time for serious people to be in charge of our economic and political destiny. It is not the time for those who are subsumed in the sense of their own importance, their unfulfilled desires and their theoretical economic theories.

It is a time for serious people to get together and to formulate plans for the development and the future of this country. It is not the time for unemployed economists, unemployed band leaders, unemployed former presidents of cricket associations, to be meeting in Paradise Heights, discussing the intricacies of this economy.

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

The question was put to the Senate and agreed to.

SUSPENSION

SENATOR the Hon. J.X. WALCOTT: Mr. President, I beg to move that this Sitting be suspended for one hour to resume at 2:10 p.m.

The question that the Sitting be suspended was put to the Honourable Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.

RESUMPTION

(Mr. DEPUTY PRESIDENT IN THE CHAIR)

Mr. DEPUTY PRESIDENT: This Senate is resumed. Senator Mascoll.

SENATOR C. A. MASCOLL: Mr. Deputy President, I rise to make my contribution in this year's Estimates Debates, and it will be in every regard.

Mr. Deputy President, let me first state that the comments that were publicised about the deficit for the upcoming fiscal year being less than this year's is not true. The evidence is very much available in the Estimates that were presented to this House and to the Other House.

For the coming financial year, the fiscal deficit for Barbados is going to be 10.5 per cent of Gross Domestic Product, which is more than the 10.3 per cent estimated for the end of this fiscal year. In fact, an overall deficit of \$564.7 million is being projected for the coming fiscal year. This is, in fact, greater than the projected deficit for the end of this year.

What has to be explained here is that the deficit to which I speak, which is going to be larger, includes amortisation. That is the repayment of outstanding debt by Government which, when looked at in an international financial institution way, is deducted. Let me state that one of the reasons for the substantial growth in amortisation is the direct borrowings of Government over the last number of years.

Sir, even though the international organisations subtract amortisation, it still has to be financed and Government would still have to find ways and means of raising the finance for the upcoming fiscal period. Therefore, we cannot say that the fiscal deficit, in an overall way, is going to be lower as projected by the Estimates 2003-2004. That is extremely instructive for the economy.

What has happened is that the Government, being forced by the International Monetary Fund, is attempting to reduce capital expenditure for the upcoming fiscal year. This is a direct consequence of the position taken by the International Monetary Fund in their recent report on Barbados. A figure of \$56 million for reduction in the Capital Expenditure has been identified.

Again, that is cosmetic because in reality, when one analyses all of the off-budget expenditure programmes of Government, we recognise that Government is still going to spend on capital projects, much more than in the previous year, except that the finance is not going to be captured in central Government data. That is again an important matter to recognise, that contrary to all that people are hearing about Government reducing its capital expenditure programmes, that is not true when the off-budget programmes of the Government are taken into consideration.

Sir, I am not going to be lured into believing that and, as a consequence, I know for a fact that what has triggered part of the inspiration here had to do with the expected election in the year 2002, when Government decided at the Urban Development Commission and in its major projects, to spend as much as it could, given that an October or November election was planned for last year.

Sir, having done that, what one recognises is that at the Urban Development Commission, that has caused all kinds of bother and worry when the Director was sent home by the Minister for Social Transformation and was then brought back by the Prime Minister, under the guise that he is the one who has to do the budget for that organisation.

What had happened is that six months into the fiscal year, the entire budget at the Urban Development Commission was exhausted. That is what has caused a major problem between the Minister of Social Transformation and the Director of the Urban Development Commission.

Sir, having said that, it is fair to say that this Government has been under severe pressure to find money to conduct its current account affairs and there is substantial evidence of that within the Estimates, so that Government has cleverly designed ways and means to hide that from Barbadians.

The reality is that when one investigates the actual data of this Administration, even to satisfy its current expenditure, the Government of Barbados, for the first time in many years, has struggled to meet its current expenditure from current revenues. That is a fact that has to be stated and, indeed, cannot be denied.

Mr. Deputy President, we are seeing substantial evidence of it across the length and breadth of the public sector. All of the concerns that we are hearing being raised within many different areas of the public sector are as a direct consequence of this shortage.

Sir, let me, therefore, put the Estimates in context by way of the economic circumstances and political realities in Barbados. From the early 1990s, this Administration has said one thing and has done another. On the question of taxation, in 1994 the then Opposition, now Prime Minister of Barbados, lambasted the Erskine Sandiford's Administration for excess taxation. That was at a time when the tax take out of every dollar was a mere 30 cents. As I speak to you today, and admitted on the Other Side in a previous Debate made by Senator Barker, the tax take out of every dollar in Barbados is 39.6 cents, when the Gross Domestic Product is used as factor cost.

2.15 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: In fact, if you want to play with statistics then 39.6 cents is as close to 40 cents as you could get. It reminds me of a recent debate in which the Ministry of Agriculture, while seeking to defend the happenings at the Market said that the National Union of Public Workers was incorrect in saying that there are 16 posts to be filled but, in actual fact, there were only 15 posts. Sir, this is the kind of semantics this Administration plays with.

We now know for a fact that the tax take out of every dollar is 39.6 per cent as admitted by the Other Side when we use GDP at factor cost.

SENATOR T.E. BARKER: Mr. President, on a point of order. The Honourable Member is saying something I did not say. I never talk about GDP at factor cost. I always talk about GDP at market price. While he was obtaining certification, he was taught that you cannot compare apples and oranges.

SENATOR C.A. MASCOLL: Mr. Deputy President, not too long ago the Senator said that 39.6 cents out of every dollar and more importantly....

SENATOR T.E. BARKER: Mr. President, on a point of order. The Honourable Member must tell us when I said this because if I said it, I would apologise to the Honourable Chamber. Sir, I cannot remember saying that it was 39.6 cents in every dollar. The Honourable Member has to be accurate. If he is quoting what I said, he has to bring it chapter and verse.

SENATOR C.A. MASCOLL: Mr. Deputy President, this is a strategy that is evident from the last few years. Every time I speak in the Estimates, the Presiding Officer changes and I allow for individuals to frustrate me.

Mr. DEPUTY PRESIDENT: I will not have the Honourable Senator involving me in any strategy concerning when he speaks. As I understand it, Senator Barker is saying that if you want to quote him, he must be given the time and place when these statements were made. If you make open statements the Senator is entitled to challenge you, but do not include me in any strategy to frustrate you in your speech.

SENATOR C.A. MASCOLL: Sir, this morning I sat quietly and listened to the Leader on the Other Side for two hours without interrupting him and it is a deliberate strategy that is very deliberate every year and I anticipated these interruptions this afternoon.

I am saying that the level of taxation in Barbados is excessive and that it is now 40 cents out of every dollar and

no one can dispute that. The Prime Minister had increased taxation in Barbados excessively over the last seven years and then we have the so-called international market and all of a sudden to be a politician in Barbados you have to know something about globalisation and trade liberalisation and you cannot be grassroots.

No wonder a good friend of his who sought to run for the seat in St. James Central, having heard those kinds of comments, decided to run from the political arena and other persons have now been elevated to the political process on the basis of that simple comment being made.

Sir, this Administration made it quite clear that it disagreed with the Incomes Protocol in the early days. This Administration also disagreed with the foreign borrowing strategy of the Sandiford Administration when he said that in any given fiscal year the Government intends to borrow up to the limit of the interest payments to be made on the foreign markets of that year and, therefore, that would limit Government's borrowing capacity every year.

Since then we have seen this Government borrowed ridiculously large amounts of money on the capital markets to the extent that over the last five years we have raised in excess of \$1 billion on the foreign capital markets both private and institutional markets abroad. Sir, this Government knows all about borrowing.

Sir, nobody can blame anything that has happened internationally for the present economic circumstances in Barbados. Throughout the region with the implementation of the CARICOM Single Market and Economy we have had stops and starts in that area but last year, in the Budget presentation, we heard that Government could only reduce income taxation by 2.5 per cent because it had to phase out its income tax in relation to what was happening regionally.

Sir, I am saying that having raised so much funds from the imposition of the VAT and the bound rates introduced, this Government owes it to the people of Barbados to reduce the level of income taxation and to do so rapidly. Therefore, the people of Barbados can look forward to such programmes, projects and policies being put in the Democratic Labour Party's Manifesto for the upcoming elections.

Sir, it is a question of doing what is right because Barbadians are overtaxed and they need to be relieved of the level of taxation in Barbados and if the ruling party does not see it fit to go that route he can rest assured that the Democratic Labour Party is going to go that route and justify it.

On the question of the political environment, we have to be in a position where we can trust our leader and I must confess that over the last eight years several things

have been done in the political environment such as calling an individual an indentured servant, the secret tax that was imposed to help fund cultural events and we have recently seen secret expenditure in the form of GEMS.

We had the FBI report that is yet to be reported on, supersession in the public service has not been dealt with, several work stoppages, the question of casual workers becoming permanent workers and there are thousands of civil servants who have not yet been appointed to permanent post within the public service and several other areas in which we can identify this administration politically.

Sir, this Administration has failed a number of people in failing to deliver what it should have delivered over the last eight years and only a certain kind of individual seems to benefit from the Barbados Labour Party Administration.

Sir, only this morning we heard that Barbados' credit rating abroad has plumaged significantly and one would never have thought they would hear this at this time in the history of Barbados, having heard that we are free to borrow as we like because the economic circumstances are good and we can borrow as heavily as we wish. Then to hear this morning that the credit rating of Barbados has plumaged significantly since September last year is, to my mind, not to hear good years.

I would like to know the explanation for this.

2.25 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: I would like to know how all of a sudden Barbados' credit rating could have fallen so dramatically. Sir, I have a report in my hand by Bear Sterns dated March 12, 2003. I have no doubt that the others have it because they have a habit of walking next to my location and peeping to see what I have on the desk, so that they can anticipate what I am coming with.

Asides.

SENATOR C.A. MASCOLL: Sir, that has happened before and it is happening now too.

I am saying that this report from Bear Sterns which is dated March 12, 2003 contains information on the economy. It makes me wonder when Bear Sterns wrote this Report because I am asking how Barbados' credit rating could fall so significantly within the last six months and an organisation that is supposed to know was not privy to that reality.

How Barbados' credit rating could fall so significantly since last September and this organisation does not know? I can understand why because in this report at page 2 and I quote:

“Barbados's high standard of living (it ranks fifth among developing in the United Nations Human Development Index)...”

I have to repeat it. I quote:

“(It ranks fifth among developing countries in the United Nations Human Development Index).”

Sir, this is a report that was written on March 12, 2003. I have before me the Human Development Index of 2002. At page 157 Barbados ranks fifth among developing countries and you can have a reputable organisation writing a report this year and this kind of information is available to the public, the world and not knowing that Barbados has now lost its prime position of first among developing countries and ranks below Hong Kong, Singapore, Cyprus and the Republic of Korea.

Even an international organisation that should know better could have in a report dated March 12, 2003, that Barbados is still the number one ranking development country, according to the United Nations Developing Index and I have before me the United Nations Human Development Index of 2002.

Therefore, on the basis of that alone, I have to query the authenticity of such a report. This organisation should have known about the credit rating of Barbados as we speak. Since it is located somewhere in New York, it should have been up-to-date on Barbados' circumstances pertaining to credit ratings. We should not now be hearing this information.

Sir, we have to worry when an organisation which should be informing you about how the market is working and what is your credit rating says this.

I said in a debate in this August Chamber that you cannot evaluate whether or not a person receives a loan on the basis of what they currently earn. You have to look at their ability to pay in the future. It does not surprise me that Barbados' credit rating has fallen dramatically. Barbados has not been earning foreign exchange over the last four or five years. It has been borrowing foreign exchange, but the economy has not been generating foreign exchange of the capacity and type that could sustain it over the foreseeable future.

Therefore, this country must know that the capacity to pay in the future has been diminished because of the under performance of tourism, the international business

sector, manufacturing sector, sugar and agriculture. Those are the four main foreign exchange earners in Barbados.

Therefore, it does not surprise me that the economic engine has run low of gas because we have been borrowing substantially over the last four to five years. When these organisations look at Barbados and look at Barbados' capacity to earn foreign exchange, and by extension its ability to repay loans, they must conclude that Barbados' credit rating is on the decline.

Sir, we borrowed \$300 million in 2001 and \$150 million in 2002 for a rainy day. Mr. Deputy President, what makes it worse is that when you check the information at the Central Bank of Barbados, we withdrew \$383 million from the Special Deposits of the Central Bank. Last year between January and December the Government of Barbados withdrew \$383 million from the Special Deposits that were set aside for a rainy day. Well, it rained very heavily last year and it rained every day last year.

In fact, I know that Barbadians are surprised to hear that we were in recession for such a long time and that we are still in recession. The only reason we have not seen part of the impact that we witnessed in the early 1990s is because of what we have been doing. We have been borrowing excessively and the time has come for Barbados to reevaluate.

This cannot be fair. You cannot have an organisation that is supposed to advise you about markets and your ability to go into the market and not know that you are now the fifth ranking developing country in the world. This information is in a report that is available and nobody on the Other Side queries it.

Barbados has dropped to the 31st position in the Human Development Index. Barbados was under an International Monetary Fund (IMF) Programme and Barbados was ranked number one in the world among developing countries. It only goes to show that Barbados has not kept pace with the increases that have occurred in other developing countries across the world, either economically, educationally, socially or otherwise. We have been confusing ourselves about how great we have been managing the economy of Barbados. "How Great Thou Art" but I am not convinced about that.

2.35 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: Last year, the Prime Minister of Barbados identified a target of 4 per cent growth in tourist arrivals for the tourism sector.

Aside.

SENATOR C. A. MASCOLL: The Prime Minister told the tourism sector last year that it has to grow by 4 per cent, in order to receive further assistance. He gave them money even though they under performed, so when I hear now that they are doing so well and they had set a target of 4 per cent last year, and whether they grow, the tourism arrivals declined and they still got money.

Then, there is an abundance of money in Barbados. You can get money now for almost anything you want to do. You can get money at the UDC. You can get money for GEMS. You can get money at the Hilton. You can get money at Greenland. You can get money for Eastry House. You can get money at Dover. You can get money wherever you want it now, across the length and breadth of Barbados. This is all you need to do. Ask for some money and it will come and that is precisely what happened. There was a 4 per cent growth target for this sector and this sector did not even come close to achieving that.

Then, I criticised the appointment of some individuals at the BTA and there was no inconsistency. I am saying that some people that were appointed to marketing positions at the BTA never had the kind of qualifications in marketing they should have. They were doing customer service at the Barbados Water Authority and customer service is not like marketing. Customer service is just what it says, but marketing is a specialised area.

In fact, I am now informed that these top-ranking persons at the BTA now have to do correspondence courses in marketing and we are paying substantial amounts to these individuals.

Asides.

SENATOR C.A. MASCOLL: It is true that these individuals are now taking correspondence courses in marketing and that is true of the top-ranking staff at the BTA.

Sir, customer service, as done at the BTA, the Tourism Board or the Transport Board, cannot be compared with marketing.

Now, if you have a situation in which an individual is working in a job for a number of years, then you can say that someone with a particular level of qualification may, in fact, replace that individual. Sir, if you have a situation in which the person going to the job does not have experience in the area, neither does he have qualifications, we cannot justify his position.

Therefore that differs to a situation in which you have a woman or man working in a fish market for 20 years, being replaced by a young girl or boy with only four

CXCs, of whatever grades, and you are telling me that four CXCs would be equivalent of a 20-year stint at a fish market.

Sir, when I made the comment that academic qualifications are overrated, I was to apologise? Me, apologise? I teach part-time at the UWI and, therefore, what hurt the Barbados Labour Party is that they never expected a comment like that to come from the so-called academic.

Asides.

SENATOR C.A. MASCOLL: Sir, to hear me under rating the academic qualifications and then to try to use it against me, the Prime Minister goes into constituencies...

Asides.

SENATOR C.A. MASCOLL: Apologise? I will not apologise for saying that academic qualifications are overrated. In fact, it may appear as though you have to get a degree now to be a fast bowler or an opening batsman in Barbados. Then, you are telling me that you need someone of that calibre to supervise a fish department.

You are not doing rocket sciences. You are not sending a rocket to the moon. You are not in surgery where these qualifications are highly necessary. You have to say that people who are on the job are learning and therefore, you have to reward them for learning on the job. It is called human capital accumulation. As people do more, they become more and that is what it is.

Asides.

SENATOR C.A. MASCOLL: Sir, that is what it is, human capital accumulation. You learn as you do. It means that you learn on the job but you cannot discount it, so to hear that kind of talk about how Mascoll said that academic qualifications are overrated and then to hear that he is now apparently signed up to do a Ph.D. and tell me that they are inconsistent.

They cannot be inconsistent. Never let it be done in this country where a person is able to go and learn on the job and acquire skills and then you feel that someone leaving school at age 18 can be put on top of them. It happened before.

I was a young boy at Combermere School in the Second Form when a young man of 16 years old left Combermere in Second Form and went straight to Plantations Limited on Broad Street and became an assistant manager. I do not have to say what colour he was. I do think that is important. He left the Combermere School where he could not reach the Second Form and the same

year he came back and looked for us and he was the Assistant Manager at Plantations.

There is no wonder it closed because he was able to get a job as an assistant manager at Plantations Limited. He had nothing going for him except, of course, his social status.

Mr. Deputy President, on the question of tourism, we have to look closely at - and I am surprised that the Government chose this time to bring this report because now, I have in my hand, it was promised that this report would have been delivered 15 days after a programme in October of last year and it has now come to light.

This is the Hotel Resorts Limited Report for 2000. What is instructive about this, is that HRL incurred a loss of \$21.3 million in the year 2000 and up until the end of 2000, now has an accumulative loss of \$37.6 million. One can therefore extrapolate from this, that HRL now would have had losses up to last year, in excess of \$60 million and I know that for a fact, and when you look at the fact that you had share capital of only \$19 million, it tells you that this particular entity is insolvent, should have been and would have been written off if it were a private sector organisation.

While the debate was going on about HRL in Barbados, listen to the words of the Prime Minister at October 22 last year and he is talking about the GEMS Project at page 73 of the Budget speech,

"The Company is highly geared having been financed mainly by debt. The Government is therefore preparing the company for divestment and has taken the first step by restructuring the debt in an effort to eventually improve the debt to an equity ratio."

Sir, the important word there is "has". The Government has taken the first step to restructure this particular entity. Who could believe this? The word is 'has' but do you know what? While we were discussing this entire HRL GEM debacle, the Minister who would have been recently appointed to be responsible for it, said that no cash was ever put in GEMS.

Only last week, in the Estimates debates, the Prime Minister now admits that \$28 million went into GEMS out of the Public Enterprise Investment Funds. The Prime Minister of Barbados, after the Hon. R. Farley said not one cent in cash was put into the GEMS.

This is not the first time. He is always sent forward to take the licks and he loves to take licks. He rushed forward before, got a counter punch, retreated, and now the Prime Minister is stepping forward. Let me tell you something, not only did they put cash, but the Prime

Minister of Barbados went into the Consolidated Fund as at July last year, and note these dates, and without Parliament approval, withdrew \$113 292 127.

2.45 p.m.

Monday, March 24, 2003

SENATOR C. A. MASCOLL: This is what the Prime Minister of Barbados did. So when he said that the Government has taken steps, it meant that the Prime Minister knew all along that \$113.2 million was withdrawn from the Consolidated Fund of Barbados without the approval of Parliament. Whenever I try to raise this matter, they dodge it. They are dodging it in the Press. They are dodging it on the radio. They are dodging it in The Beacon...

Asides.

SENATOR C. A. MASCOLL: They got a paper called "The Beacon". "The Advocate" is "the Beacon" and then you got "the Nation". All of them are trying to dodge this issue because it is very clear that this money came out of the Consolidated Fund. I have before me complete evidence of this at page 8 of the Accountant-General's Accounts and Statements for June, 2002. I said before that the money borrowed over the years for a rainy day would have been put in a special deposit at the Central Bank of Barbados. All revenues of Government plus borrowing except short-term borrowing go into the Consolidated Fund.

If you look at the Accountant-General's Report for June you will see - and I will go through this very slowly - that the special deposit of the Accountant-General for June at the Central Bank of Barbados was \$385 365 774. At July, that special deposit, Accountant-General's deposit, fell to \$272 073 647. If you subtract \$272 073 647 from \$385 365 774, it comes out to \$113 292 127. This is the same \$113 292 127, that was advanced, as stated in the Accountant-General's Report, to Hotels and Resorts Limited which was never debated in this Parliament of Barbados. It never came here.

Then to try to confuse this matter, the Prime Minister of Barbados went and got some technocrat to write some memo saying that it is a question of a charge to the Consolidated Fund as opposed to an advance from the Treasury Account; a bunch of rubbish.

The Consolidated Fund is established in law by Section 107 of the Constitution of Barbados. I do not understand how this could be confused. The money of the Consolidated Fund goes into something called a "Treasury Account" at the Central Bank of Barbados or at a commercial bank. It is just like I have an account in my

business, but I have an account at CIBC. The only way in which the CIBC account that I owned can be withdrawn or can be increased is if I authorise it, so an advance from a Treasury Account and a charge to a Consolidated Fund does not matter. It is irrelevant. It has to be authorised by the Parliament of Barbados.

Section 107 of the Constitution of Barbados establishes a Consolidated Fund into which all revenues of Barbados shall be paid. Expenditure from the Consolidated Fund may be made only for the purposes of statutory expenditure and other expenditure.

If you look into the Estimates, any Estimates, you are going to see at the start of the Estimates and throughout the Estimates the use of the words "statutory and others". What it says here is that by the provisions of Section 108, the Minister of Finance shall, before the end of the year, have an Appropriation Bill, which is what we are doing now, because come April 1 not one cent can be spent by a government department unless the Appropriation Bill comes to both Houses of Parliament. This is why we know and we knew that you could not have an election before April because you cannot spend one cent without coming to Parliament and having an Appropriation Bill which is what we are simply debating today.

In Section 109 (2) of the Constitution, the amounts voted in the Estimates and supplementary Estimates - by the way, in the event that you have a line item in the Estimates and you exceed the budget, you can come back to Parliament for a supplementary, but it has to be a line item within the Estimates, it cannot be adopted or adjusted over the course of the year - by the House of Assembly in respect of a financial year shall represent the limit and extent of the public expenditure for that financial year.

Section 110 provides that no amount shall be paid out of the Consolidated Fund except upon the authority of a warrant under the hand of the Minister, or under the hand of some person authorised by the Minister in writing. It then goes on to say that those provisions of the Constitution are re-enacted in Sections three to six inclusive of the Financial Administration and Audit Act. So you cannot take money out of the Consolidated Fund without having parliamentary approval. That is a fact.

Do not then come and confuse the argument and the debate by telling me and the rest of Barbados that if it is a below-the-line item, that it is okay. That is true, but the concept of a below-the-line item is clearly stated in the Consolidated Fund. In this Consolidated Fund here there is a very thick black line. Any item or account below this line does not have to require parliamentary approval. It is like the Public Enterprise Fund that was raped of \$28 million to put into the GEMS Project. Government did not have to seek parliamentary approval to do that.

2.55 p.m.

Monday, March 24, 2003

SENATOR C. A. MASCOLL: Mr. Deputy President, any account above this line has to have parliamentary approval. The \$130 million that went to the GEMS of Barbados Project came out of an above-the-line account and should have required parliamentary approval but none was ever sought. It is a grave breach of the Law and differs substantially to what has happened in the early 1990s. That I will explain.

At the beginning of every financial year, as we are doing now, the Government estimates revenue. The estimated current revenue of Government for the forthcoming fiscal year is \$1.78 billion. The overdraft facility at the Central Bank, which is called the Ways and Means, is a percentage of this estimated revenue. It is now 10 per cent of this estimated revenue. Therefore, the overdraft facility at the Central Bank that the Government has, would now have a limit of \$178 million for the forthcoming fiscal year.

Mr. Deputy President, under the Erskine Sandiford Administration, that percentage was raised to 17.5 per cent and then brought down to 10 per cent by the Owen Arthur Administration. Sir, the thing that has to be recognised is that whereas we came to Parliament and determined the overdraft limit, like any other business or individual, can one exceed one's overdraft facility and the commercial bank would still honour the debt. It happens every day to corporate individuals and individuals. In a similar vein, the Central Bank would have honoured the excessive finance of Government in the early 1990s. That is completely different in principle to what has happened to the GEMS of Barbados Project.

The Prime Minister went into the Consolidated Fund and took up \$113 million to do what? At page 73 of this Report, this is what it says:

"The Government is, therefore, preparing the company for divestment and has taken the further step by restructuring the debt in an effort to eventually improve the debt to an equity ratio."

Mr. Deputy President, all that we are now hearing about GEMS of Barbados on this new Report, the Government still went and took the taxpayers' money and put into the GEMS of Barbados to make the debt equity look like 1.5 to 1, which is a 60/40 per cent ratio, so as to be able to divest then. It is now currently 10 to 1 ratio. It would have been insolvent in any other circumstance but this Government took the money that we had put aside for a rainy day and spent \$113 million of it on GEMS of Barbados alone last year during the heated debate when the

Minister had said that no cash was ever put in and the Prime Minister came and backed him on it.

I am saying we have to have some degree of trust in this country. Whom can we trust, when a Prime Minister can do this, by preaching the Law and then conspired to hire illegal immigrants? There is a pattern of behaviour.

SENATOR T. E. BARKER: On a point of order. The Honourable Member is misleading this Chamber. The Prime Minister has never hired illegal immigrants. That has been stated and I do not think it should go into the records of this Chamber.

SENATOR C. A. MASCOLL: The Prime Minister conspired to hire illegal immigrants. That is what he said, then went on to justify it by saying that he is facilitating the free flow of labour within CARICOM.

Sir, how could a man make a decision in 1991 and justify it by a phenomenon in 1994? He is a giant. He is really God to have seen three years into the future. The Prime Minister of Barbados is really God to have made a decision in 1991 but justify it by an action that was taken in 1994.

Mr. Deputy President, we then have a situation in which this same Consolidated Fund has been entered into. In the October, 2002, Report of the Accountant-General, \$25 million was taken out of the Consolidated Fund to put into the Needhams Point Development.

Aside.

SENATOR C. A. MASCOLL: I cannot recall ever debating or discussing the Needhams Point Development in this Chamber. Mr. Deputy President, there is now a situation where the Consolidated Fund, the Government has withdrawn \$25 million to put into the Needhams Point Development. This Project worries me. This Project is supposed to cost, according to the Annual Report of Needhams Point Development, US \$90.4 million or BDS \$180.8 million. The construction is supposed to cost \$54.8 million. To date, the Government has put in \$18 million because of the cost of the land. They took up \$25 million out of the Consolidated Fund, which I do not think was ever discussed in Parliament. To date, overall the Government has put in excess of \$60 million into the Hilton Hotel.

I am worried about this Project for this reason. On page 5 of the Annual Report, 2001, it says equity of US \$38.6 million or BDS \$77 million, will be raised. Quasi equity is BDS \$24 million, interest capitalisation,

BDS\$4.5 million, senior debt BDS\$75 million.

Sir, remember that the GEMS Project started out like this, where it was expected that people would have invested into it. It has never happened. Then Government had to carry the entire show in relation to the GEMS Project.

The Hilton Hotel requires \$77 million in equity. From where is it going to come? How is it going to invest in the Hilton Hotel to raise \$77 million? In fact, we were told that one of the problems with the Barbados National Bank is that sufficient liquidity does not exist in the system for corporate or individuals to invest that kind of money in the Barbados National Bank.

3.05 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: Sir, when Government cannot raise this equity, the taxpayers will have to raise \$180 million to build the Hilton Hotel because the Hilton International is going to manage the hotel and use their name but they will not invest any money in the hotel.

Sir, no one seems prepared to invest in the Hilton Hotel at this stage or else we would have heard about it. The Government will take the taxpayers' money and invest in the Hilton and this is where the selling of the Barbados National Bank comes into play. There is no doubt in my mind that the sale of Barbados National Bank shares will go substantially to the building of the Hilton Hotel and this worries me.

Sir, throughout my constituency, and in all parts of Barbados, I have heard that the Government is using the fact that it has built one or two roads as a major means of regaining the Government in Barbados. Therefore, if the sale of Barbados National Bank shares will put money into the coffers of the Government which will then go into the Public Enterprise Investment Fund which is a below-the-line item, it means that Government can spend this money without recourse to Parliament and this also worries me.

Sir, the proceeds from privatisation of any Government asset will go into the Public Enterprise Investment Fund which is a below-the-line item and will be used without seeking parliamentary approval. I thought that the Barbados National Bank had 1 020 million shares at one stage and we were told the credit unions and all other Barbadians would have been allowed to invest in the shares of the Barbados National Bank. In fact, it happened that these shares are now being bought by the Republican Bank of Trinidad & Tobago.

There are 96 million shares and the Government intends to hold on to 20 million of them and they will sell the shares to the Republican Bank of Trinidad & Tobago

(RBTT) with the justification that this will now allow the commercial bank to bring new products. Sir, but all the commercial banks offer the same products and what special products can the Republican Bank of Trinidad & Tobago bring into Barbados when the same products are being offered by First Caribbean Bank, the Royal Bank and the Bank of Nova Scotia.

Sir, suddenly we are hearing about new products when we were told that we wanted Barbadians to be involved in the ownership of the Barbados National Bank. Sir, suddenly we are willing to sell our shares to RBTT when they are offering \$3.45 per unit value up from \$1.80 in less than one year and a half. Sir, I wonder what is in the deal.

Sir, RBTT has offered more than the estimated value of the shares and the reason why the Barbados National Bank rushed into the market at that value was because the Insurance Corporation of Barbados and BWIA were in the market at that time. Sir, these same shares that came into the market to compete with the Insurance Corporation of Barbados shares are almost in value doubled the amount now and there has not been any major increase across the commercial banking system.

I have not seen a commensurate growth in the shares of Barclays, CIBC, the Bank of Nova Scotia, the Royal Bank of Canada or the Mutual Bank of that magnitude over the same year and a half. Sir, what is so special now about the Barbados National Bank that all of a sudden the shares are valued at \$3.45. What did Barbados National Bank do in the last year and a half because we have not seen commensurate growth in the business of the other commercial banks in spite of the fact that the other commercial banks have outperformed the Barbados National Bank.

There is a recent report by the IMF on the financial sector of Barbados in which they sought to castigate the credit unions when they said that our credit unions had non-performing loans of 22 per cent. Sir, it was a very clever lie because they added all the credit unions in Barbados together and came up with 22 per cent non-performing loan criteria. It is a lie because you cannot add all the commercial banks together and divide by 41 because the City of Bridgetown and the Barbados Public Workers' Credit Union represent almost 70 per cent of the assets and loans of the credit union? The Barbados Public Workers' Credit Union has a non-performing loan ratio of 4 per cent and if they constitute almost 60 per cent a weighted average could not bring the non-performing loans for the entire sector to 22 per cent.

Sir, someone took this 22 per cent and used it to discredit the credit union because all of a sudden there is an

attack on them because I happen to serve on the Board of Directors of the Barbados Public Workers' Credit Union.

Asides.

SENATOR C.A. MASCOLL: I do not mind that talk about not paying back money because I have never been dishonest in my life as it relates to money and I would like the Prime Minister to say so in Parliament. The Prime Minister uses Parliament to cover himself and whenever he wants to attack citizens of Barbados he uses his privileges in Parliament.

MR. DEPUTY PRESIDENT: Senator, you must withdraw that statement about the Prime Minister using the privilege of Parliament to attack people in Barbados. It is not good parliamentary language.

SENATOR C.A. MASCOLL: Mr. Deputy President, I withdraw the remarks.

Certain remarks made by SENATOR MASCOLL were expunged from the record.

SENATOR C.A. MASCOLL: I want the Prime Minister to make his remark outside of Parliament and we can go to the court. Sir, this means that there are people at GEMS who should pay back a lot of money to the taxpayers of Barbados. I do not want to get cruel in this debate or I will go across the table because there are people who get \$15 000 monthly to play golf daily because they are supposed to be consultants.

Sir, we had individuals at GEMS who were supposed to be CEO but still had their names down as being contractors at the Urban Development Commission. They also got settlement out of GEMS of \$0.5 million. The same individuals recently purchased 25 new cars cash and 13 hire purchase.

Asides.

SENATOR C.A. MASCOLL: Yes, it is a lot of money.

3.15 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: Sir, play with me. There were 25 new cars, 12 were purchased cash and 13 were leased. Do not talk about the houses that were refurbished, the new houses that were built at Gibbs, Eastry House and a lot of other places. Do not let me have to get back to GEMS and all who benefitted from GEMS in this debate.

The main construction firm, the individual was in a fraud case for telecommunications. Recently he went to court for throwing some licks. The main man involved in Kitchener Construction Company Limited was involved in telecommunication fraud and recently he went to court for sharing some blows.

Asides.

SENATOR C.A. MASCOLL: Sir, when the Urban Development Commission and the Rural Development Commission were debated in this Chamber, we had a difference of opinion but I can say that the concept of the Urban Development Commission is not a bad concept. It is just that you had a situation in which it was poorly managed.

The recent episode of the Minister sending home the Director was the occasion that this happened. It happened in 2001 as well but that one was not made public. The Minister of Social Transformation had sent home the Director in 2001, he did it in 2002 and he was sent on leave. He was asked to go to the United States of America and take a vacation. He was not sick because when he returned to Barbados he was seen on television in the Pine ...

SENATOR T.E. BARKER: On a point of order. Mr. President, the Honourable Member is misleading this Chamber. If the Honourable Minister says that he is sick and is seen in public, I am sure that the Honourable Member has knowledge or skills, even without certification, that he can tell us here that the Minister was not sick. I think that it is an abuse of privilege of this House.

SENATOR C.A. MASCOLL: Mr. Deputy President, all I know is that according to the Constitution of Barbados, you could not have a Minister and an acting Minister in Barbados at the same time unless the substantive Minister was ill. All that we are saying is that the substantive Minister, during that period, was seen on television in the Pine, St. Michael, at a cricket match advertising cricket for ladies. Sir, all we are saying is that if he were not out of the island, we had two Ministers in the same post at the same time. That is all that we are saying. The Minister had to be either sick or not sick. If he was not sick, he would have to be absent from the island.

SENATOR the Hon. G.S.H. MURRAY: Mr. Deputy President, the Honourable Member is misleading the Chamber when he says that the Constitution says that you cannot have two Ministers of a particular portfolio in Barbados at the same time. I recall just before 1994, that the Democratic Labour Party had two Ministers of Agriculture.

SENATOR C.A. MASCOLL: Sir, I would not rest on that case. We are beyond that.

The concept of the Urban Development Commission and Rural Development Commission were designed to deliver some largesse and what we have seen was a lot of largesse being delivered in certain parts of Barbados. The objective is good but the method is bad. I have had reasons to go to the public with Urban Development Commission and the Rural Development Commission is just as bad.

Sir, I did not decide to bring the information here today but the Rural Development Commission has all kinds of things happening at it. There are all forms of mismanagement. There are things that have gone to court and are presently being discussed in the courts of Barbados. Therefore, I would withdraw from that but to say that we have had some very strange things happening.

We had a Member of Parliament being called a consultant to report on the affairs of the Urban Development Commission and we have not yet seen any report. We then had the former Chairman acting as Minister. We then had the Minister returning and not being sure whether or not he was still Minister. Therefore, we had confusion at the Urban Development Commission.

I want to speak to the Attorney-General's portfolio because I am asking for a bigger budget to investigate the conspiracy of individuals hiring illegal immigrants. Given the existing budget, it means that the Minister has to be given a bigger budget to be able to carry out that investigation.

Sir, when the FBI's report was raised in public, sometime last year, we were told that within three months we would have the breaking of ground for the new Judicial Court. That has not happened and we are almost six months past. I want to know what has happened to the courts that were supposed to be built three months after the FBI's report was leaked.

Sir, I know that there are several persons on the other side that are concerned about the contents of the FBI's report. At one stage we were told that it would be fully ventilated among the four walls of justice. Then we were told that there was only one person involved. We then heard from New York that they were 32 persons involved. We heard that someone was sent on special leave, only to return to say that if he is attacked he will attack. We have long had scud missiles in our presence before the Iraq war.

Mr. Deputy President, that was said by the individual. I am saying that we need to know now what are the real contents of the FBI's Report, whether or not there is any legitimacy to what we were hearing on the streets of

Barbados in terms of the involvement of certain persons in Barbados.

Sir, this Report was supposed to be on the desk of the Prime Minister to be read. The Prime Minister said that the FBI's Report was on his desk to be read. All I am doing in this debate is asking for a larger budget to allow for the investigation to take place in relation to the FBI's Report and the conspiracy to hire illegal immigrants.

Mr. Deputy President, I, therefore, have to look at these Estimates within the context of what we are seeing in Barbados as I speak to you. Barbadians need tax relief and this was admitted in last year's Budget. We need relief in income taxation. We need relief in land and property taxes. We need some relief in VAT and we definitely need relief in the area of corporate taxation.

3.25 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: Now, the overall basis for this relief is rooted in the fact that no other Caribbean country has as high a tax take as Barbados. Barbados takes 40 cents out of the dollar. I may be wrong but I cannot think of any other Caribbean country that takes as much as 40 cents out of the dollar.

What the Democratic Labour Party is proposing to do is to ease the level of taxation over the next five years to bring that tax take down to 35 cents out of the dollar, over a five-year period. It cannot be done immediately because of the impact on the fiscal deficit. It cannot be done immediately because of the impact on financing. It cannot be done immediately because of the expenditure requirements by the Government.

It can be done systematically, over a five-year period and this is where the Democratic Labour Party intends to bring the tax take from 40 cents out of the dollar to 35 cents out of the dollar. This must not be confused with the Income Tax. The tax take to which I speak is the total taxes of Barbados, divided by GDP.

If we seek to do that, we will effectively put in the hands of Barbadians and the corporate community, about \$210 million over a five-year period, or \$40 million per year. We are not proposing either to put \$40 million per year willy, nilly into the economy. We have to determine which areas of the economy first require the greatest relief and then proceed from there.

Sir, it is a fact that local companies in Barbados have now been going to Trinidad to establish head offices.

Asides.

SENATOR C.A. MASCOLL: This is a fact. There are several companies in Barbados that have relocated their head offices to Trinidad and they are now managing Barbadian entities out of Trinidad because of the cost of operation in Barbados.

Sir, do not let us get fooled because there are some serious connections. We need therefore to look at how we can best reposition Barbados to bring about the kind of change that is necessary. Our first proposal is to reduce the level of taxation on individuals as well as the corporate community. This is a must.

Asides.

SENATOR C.A. MASCOLL: Sir, we can to this. I just outlined for you, the wastage at GEMS. I can now outline for you, the wastage at Greenland. There is also wastage in the South Coast Sewerage Project. There is wastage at the National Housing Corporation. There is wastage at the Warren's offices. There is wastage at Southern Meats and there is wastage all across the length and breadth of Barbados.

Therefore, it is quite possible for us to take that wastage and stop the hemorrhaging and then proceed to reorganise the Government's finances and revenues, in the interest of Barbadians and not to do as we are doing, take good money and spend looking for bad money.

This is what we are doing in the GEMS Project. There is no-good evidence that the GEMS situation in the foreseeable future can become profitable and that is why we had to waste so many funds, in order to reposition the GEMS Project.

The other thing we need to do is to try and prepare Barbados for a future that has to do with globalisation. Yes, we spoke to this on several occasions, but the real issue here is how do we cope with efficiency, in a new global era. How do you make Barbados more competitive, and there is a link.

In order for Barbados to become more competitive, it has to become more efficient. In order for Barbados to become more efficient, which really means a reduced cost to business, it has to become more productive. In order for Barbados to become more productive, it has to either invest in greater use of technology or retrain and retool its existing workforce.

It therefore means that like in the 1960s, Barbados is at the stage where there is need for an education revolution. This revolution must come in the form of not just preparing for the education of young children and adolescents, but by retraining and retooling the existing workforce of

Barbados. It is the only way in which there could be a quick response to the requirements of globalisation.

Sir, if you put only 800 persons into the workforce every year, a workforce that has in excess of 100 000 people then, you cannot adequately transform the productivity requirements for Barbados that can make us more competitive. A major focus outside of educating at the primary, secondary and tertiary levels is for the establishment of a major institution that will serve to retool and retrain the existing workforce. Sir, that is the focus.

It cannot be about a university college of Barbados because the University College of Barbados, as I understand it, is simply about upgrading the Polytechnic and doing one or two other little things.

Asides.

SENATOR C. A. MASCOLL: I am saying that the focus cannot be on the non working population. It has to be on the working population of Barbados for there to be a revolution required to make us more productive and consequently, more competitive. It is not about just training persons in the early stages of their lives but about retooling and reequipping people who are now in the workforce.

I am therefore saying that rather than having a university college of Barbados that we need to have an extension and elaboration of, say, the Public Workers' Union College but with a greater focus. The Social Partnership now has to be on retraining and retooling on a massive scale.

Asides.

SENATOR C.A. MASCOLL: I teach at the highest institution here in Barbados, so I am saying to you that I know about it. You taught there across the bridge. I am talking about retooling and retraining people at adult stage.

Therefore, I am saying that the question of retooling and retraining has to be the major undertaking and that the Social Partnership of Barbados, so it has to reposition itself and, Sir, to think that the Social Partnership of Barbados recently refused to give 26 000 public sector workers additional \$1.5 million per year which translated into \$6 more per month...

Asides.

SENATOR C.A. MASCOLL: The leader of the trade union said that the Government could have afforded to give the public sector workers more money. It has nothing to do with affordability. This was said in this Chamber. All I am saying is, how can you justify not giving 26 000 public sector workers an additional \$6 per

month, but you could have been thinking about giving the Airport Manager as much as \$300 000 a year to manage an airport.

Asides.

Mr. DEPUTY PRESIDENT: I have not offered anybody anything.

SENATOR C.A. MASCOLL: Not you, Mr. Deputy President.

Mr. DEPUTY PRESIDENT: Well, say what you mean.

3.35 p.m.

Monday, March 24, 2003

SENATOR C. A. MASCOLL: The Government of Barbados was thinking in terms of giving an airport...

SENATOR the Hon. G. S. H. MURRAY: On a point of order. The Honourable Member is once again misleading the Chamber when he tries to establish that Government had been considering giving an individual over \$300 000 as a salary. That never came to Cabinet. That was never considered. It was never on the Agenda and it was never discussed, so he is misleading the Chamber again and again.

Asides.

SENATOR C. A. MASCOLL: The Permanent Secretary sits on the Board of the Grantley Adams International Airport Incorporated.

Mr. DEPUTY PRESIDENT: Honourable Senator, you should be very careful when you are making these statements because everybody seems to be basing their information on a newspaper report, and then you cannot base it on one newspaper report you have to base it on all the newspapers reports dealing with the same matter. At the same time, we should appreciate that these debates are being carried live over the airwaves. Therefore, you should try to avoid using words which people will take to be slanderous at this time.

I am therefore asking Honourable Senators to be rather careful in presenting their arguments in the Chamber.

SENATOR C. A. MASCOLL: It is now common knowledge that the Grantley Adams International Airport Incorporated approached a Canadian and offered him in excess of \$300 000 per year to manage the Airport that has traffic of less than two million per year. The individual that

manages the Airport in Miami, which has 37 million persons coming through it, gets US\$101 000, so for little Barbados to have been thinking in terms of paying an individual US\$150 000 to manage the Grantley Adams International Airport is highly ridiculous.

Therefore, what we are saying here is that when you look at it and you look at the fact that the Minister responsible for the Grantley Adams International Airport said he did not know, how could he not know, when a Permanent Secretary sits on the Board who reports to the Minister? A letter was written on behalf of the Board. The Chairman of the Board, Colin Brewer, went on a call-in programme on Voice of Barbados (VOB) two weeks ago and justified it and said that he is supportive of paying that kind of salary to such an individual for managing an entity that is going into this new global environment in which the focus has to be on revenue earning. That is what Colin Brewer, Chairman of the Grantley Adams International Airport Inc. said.

Asides.

SENATOR C. A. MASCOLL: Mr. Deputy President, it is quite clear that the Chairman of the Board of the Grantley Adams International Airport Incorporated knew about the advances to the Canadian to manage the Grantley Adams International Airport. We are not satisfied...

Asides.

SENATOR C. A. MASCOLL: We have to be concerned about how our funds have been spent by this Administration because no one can convince me that given the limits that are obvious at the Airport in terms of the size of the entity, and in terms of the limited infrastructure of Barbados, even if you were able to triple the passage of travellers through that Airport to 6 million, how would you accommodate them in Barbados and where? So there is a limit to what we can do at the Grantley Adams International Airport.

The other thing is this. Who would you be commercialising the Grantley Adams International Airport for and who will purchase all of these additional goods and services that you would be providing? Who? The tourists? When you travel from the United Kingdom to Barbados, when you get at the Airport, all you want to see is a bed. You do not want to linger around the Airport to spend money. So you got now to cater to them when they are going back out, but when they are going back out, what do they wish to take from expensive Barbados?

What is it that they wish to take? Have you thought about this? What it is you are commercialising at the Grantley Adams International Airport? People are not

being encouraged to spend money in Barbados. Even the cruise passengers were told to spend their money in St. Maarten and when they come to Barbados, take a little taxi drive around the island, but not to spend any money here.

Asides.

SENATOR C. A. MASCOLL: That is true, so I do not see why we have to deny it. That is what happens down there at the seaport. That is what the taximen told me.

Asides.

SENATOR C. A. MASCOLL: So all of a sudden now you cannot criticise Barbados because this Administration is in office. Barbados is too expensive. What it is that we are going to provide at the Grantley Adams International Airport to allow for a manager to get that breed of money? What is it that he is going to do? What is it that he can do that the current manager does not do? That is the question I need to ask.

This attitude pervades the entire environment of Barbados where you are simply given money on the basis of who you are or whether or not you are affiliated to the Barbados Labour Party. We have a very obvious example of that here in this Chamber where we have individuals who were given, as I said before, \$15 000 per month, but to do what. I do not know what they were given that breed of money to do. They wanted more cars duty free. They have houses in Barbados but they are still given allowances to pay for rent for six months and all kinds of things.

SENATOR the Hon. G. S. H. MURRAY: On a point of order. I deem it most unfortunate that the Honourable Senator is using the Floor of this Honourable Senate and August Chamber to attack a fellow Senator by impugning all kinds of unsavoury motives and activities. I do not think it is fair and I wish the Honourable Senator would restrain from doing so, otherwise we will have to do the same thing over here too. I will have to talk about "Peanuts" and all of that kind of stuff, but believe me I do not want to get into that.

3.45 p.m.

Monday, March 24, 2003

SENATOR C. A. MASCOLL: Mr. Deputy President, I do not have anything to hide. Anyone on that Side who has anything to say about me should say it. That is the problem with this Administration. This Administration cannot find anything to talk about pertaining to me. What it could now do is to hold onto foolish comments that I have made and try to make it into a big issue.

SENATOR the Hon. G. S. H. MURRAY: Mr. President, on a point of order. Is the Honourable Member denying that the Registrar of Cooperative has said that he should pay back the credit union's money? Is he denying that?

Mr. DEPUTY PRESIDENT: Honourable Senators, we are moving the quality of debate of this Chamber out under the street lights. Let us bring it back to the Senate.

SENATOR C. A. MASCOLL: Mr. Deputy President, with the few minutes that are available to me, I will unveil the Democratic Labour Party's programme for the future.

I will be leading the Democratic Labour Party in the next election and that is a known and approved fact. If, on the basis of my pigmentation, I do not satisfy the criteria over there, I satisfy it over here. There is nothing else that could stop me from being the Leader of the Democratic Labour Party. It has been determined. Look forward to it in the upcoming election. On that basis, I will be speaking to issues such as over-taxation, squandermania, corruption, incompetence, et cetera.

On the question of taxation, we propose to ensure that Barbadians have more money in their pockets. They deserve it, especially the public sector workers. We are going to take care of the disabled, the pensioners, home owners.

We are going to give persons an opportunity to become businessmen. We are going to make sure that housing becomes affordable to Barbadians. We are going to effectively manage the Queen Elizabeth Hospital and I am not talking about painting the Hospital's walls as a major accomplishment. We are talking about delivering health services, commensurate with those that were delivered in the early 1960s, 1970s and 1980s, under the Democratic Labour Party. It is about putting systems in place for persons to know when to come to work. There are operational research programmes where we could actually design schedules for working, to know how we could input labour and technology to give maximum outcome.

Those are simple, straightforward things that have been done across the length and breadth of the United States. It is about having the computer software to do such and knowing the absenteeism and how to accommodate that within the work schedule. All of that can be effectively done.

Sir, the most important thing is to make sure that there are proper Heads because the three Heads were separated from the Hospital a number of years ago and have not yet received any compensation.

In the area of tourism, there is the need to make tourism more competitive. What was done under the Owen Arthur Administration to increase the hotel accommodation from 5 per cent to 7.5 per cent was disastrous. The tax was not reduced but was increased. The restaurant tax was 5 per cent. It was increased to 15 per cent. It does explain why Barbados is in a position where it can no longer compete with many other destinations in the Caribbean.

There was then the escalation of property values that have fooled the sectors into believing that it was doing something heroic or major, in that every year its assets on the Balance Sheets look better because of property valuation. It has happened to Paradise Beach Hotel where, without driving one nail into the building, the Paradise Beach Hotel's property has appreciated substantially. The parros are now living there. Would you believe it is of even greater interest and more financial rewarding for Sandals to have parros living in the Paradise Beach Hotel, than to have it into a tourism entity because the land and property value has more than quadrupled over the last 8 years?

That also explains why St. James Beach Hotel, under Ray Horney, was able to sell off its property, having said that he would not leave Barbados. When he recognised that the land and property values had skyrocketed, it was in his interest to get the capital gains. He did and sold to Elegant Resorts Limited. That explains further why there was a problem across the length and breadth of Barbados because of this land and property value reevaluation, which also happened at Heywoods Hotel.

Contrary to what was said, the reason why Heywoods appeared to have been the "give way" to Barbados Shipping and Trading had to do with the reevaluation of the land and property. Therefore, it made the assets and working capital ratio of that entity looked much better.

I am happy to say that at least Heywoods was sold to a local entity. There was a hue and cry that the Barbados Government was giving away the family silver to an organisation that now has its connection and tentacles within the bosom of this Administration. In fact, it is believed that the Deputy Prime Minister of Barbados is really the Managing Director of Barbados Shipping and Trading Limited. It is in the public's domain.

Therefore to have a situation in which the Heywoods Property was sold to Barbados Shipping and Trading, to now recognise there is a merger between the Barbados Shipping and Trading and the Government in every respect, it is really surprising.

SENATOR the Hon. G. S. H. MURRAY: On a point of order. Mr. Deputy President, again I must rise on this masquerader who is parading before us. I think it is quite

unbecoming for the Honourable Member to associate the Deputy Prime Minister with activities which are illegal. Being a minister, one is prohibited by law from occupying any position, other than that of a minister. Therefore, to give that impression is just his way of getting his message across. I think I must deprecate this tendency for him to use the Floor of this Chamber to attack fellow parliamentarians.

Mr. DEPUTY PRESIDENT: As I have said before, I am very worried about these statements being made under the cloak of privilege, but going out on the airwaves of this public. I do not think it goes well. Therefore, I would like Members to desist from this kind of behaviour.

For a number of years, we have been talking about broadcasting these debates and if this is what it is going to be, I know the public will not be happy with what they are hearing today.

SENATOR C. A. MASCOLL: Mr. Deputy President, I will now summarise and come home. There is no doubt that the Estimates before us do not conform to the objectives of the Press Release that was issued on the Estimates. It was said here that the Estimates are intended to reduce the fiscal deficit to a more sustainable level but what we have seen is that rather than bring certain projects on budget, they have gone off budget. What we have seen is that this Government has, over the last eight years, skillfully found a way to establish private companies which are owned by Government, to use expenditure. There was a private company that was owned by Government before. We admit to that but Government has now proliferated it. This Administration has used it very skillfully at the Caves of Barbados, the GEMS of Barbados, the Grantley Adams International Airport, which they intend to privatise. They said it is going to be commercialised but again, the Chairman of the Grantley Adams International Airport said that it is going to be privatised.

What we are saying is that for the last several years Government has found very skillful ways of taking monies outside of the central government, using it to spend on several projects and then not to have it accounted for within central government data. This is exactly what is happening this year.

3.55 p.m.

Monday, March 24, 2003

SENATOR C.A. MASCOLL: I am not fooled by the reduction of capital expenditure of \$55.9 million because I know that the Hilton Hotel is going to cost much more than that and that the proceeds from the Barbados National Bank shares of \$198 million will be spent loosely over the

next fiscal year. Sir, there is every evidence to show that this money will be spent loosely over the next fiscal year.

Sir, there is a strategy on the part of the Owen Arthur Administration. They established private companies that will not report to Parliament in any reliable time period like the GEMS and now two years later we do not know what has happened over the last two fiscal periods and we can only guess about the losses at GEMS and, we are also going to have to guess about what is happening at the Hilton Hotel.

By the way, less than 50 Barbadians work on the project at the Hilton Hotel and I am reliably informed that the contract for the tiles was given to an American firm at over \$7 per tile when a local company made a bid for the same contract at \$2.25 per tile. The local company informed me that the price of \$2.25 was after 100 per cent mark-up was put on the prices. Sir, that smacks of suspicion that a contract for the delivery of tiles to the Hilton Hotel has gone to an American company for over \$7.00 per tile when the exact tile was identified by a local company and offered at a price of \$2.25. The local company was offered the opportunity to lay the tiles and they refused because the money in giving the contract.

Sir, the distributor in Miami blocked the sale of that specific tile to Barbados because the American asked the distributor not to sell the tile to any Barbadian entity. It is remarkable that the Barbadian company had gone to Italy to identify the tile sold to the American company which was then sold to Barbados when we could have gone directly to the suppliers in Italy and received a better price.

Sir, I want to know if it is true that only one contract to date has gone to a local company of the several contracts given out in the Hilton Hotel project. I am not in favour of establishing private companies under the guise that they become more efficient or they do not need to have the red tape of the bureaucracy of the Government sector, that these functions will be performed more effectively and efficiency only to discover a few years later that we are putting money in a hole, as has happened in the GEMS Project.

Sir, Greenland is a disaster. The only good thing that came out of Greenland is that St. Andrew got good roads as a result of the Project.

Sir, we have an opportunity as a country now to look to the difficult times ahead. I have heard the Leader of the Senate said that an unemployed economist and theoretician is looking to become a leader of Barbados...

SENATOR the Hon. J.X. WALCOTT: Mr. President, on a point of order. I never said theoretician, I distinctly said a theoretical economist.

SENATOR C.A. MASCOLL: Sir, a theoretical economist is the same as theoretician in economics. I heard that Barbados needs someone who can deal and handle crisis and who is serious about the future.

What amazes me is that I am the person who is labelled as the chief architect of this Administration of the 1991/92 IMF programme. If I am labelled as the architect of that programme which turned out to be the most successful IMF programme ever in the history of the IMF, and in Barbados, then it gives me all I need in terms of recommendation to handle any circumstances that may ensue in the not too distant future as it relates to the economy management of Barbados.

I am adequately qualified on the basis of what the Barbados Labour Party says about me to handle any eventuality in relation to the economy of Barbados and I have been prepared soundly for any critical crisis in Barbados in terms of management and on that basis alone I have all it takes to carry the country forward.

Sir, contrary to the so-called theoretical examination, if it is admitted that I am the person to take the country forward, it means I have the background that is needed to do what is required.

Sir, on the basis of the criticism of the Other Side, the Democratic Labour Party is imminently placed because this is the first time that the Owen Arthur Administration would have encountered difficulties and as far as I can see over the last year and a half, has not handled the crisis in Barbados well, confuses itself every year talking about institutional capacity. Every year we hear about the re organisation of various entities in Barbados, about whether we should reduce tax and about globalization.

Sir, we hear about this man who was the kind to lead the international business sector and who went off to the OECD meetings to resolve the issue, but the international business sector has suffered under this Administration after the Prime Minister was labelled as the person who argued the case on behalf of the developing countries.

We heard about him being the guru in CARICOM and the CARICOM Single Market and Economy has stalled and there has been no major advancement. We heard about the fishing agreement but, to date, we have not come to any official position and, Sir, there is still a need for a Protocol within CARICOM in the area of utilisation of the sea resource.

These Estimates will not do anything meaningful for advancing the economic or social circumstances of Barbados over the next fiscal year. In this regard, it is just the typical Estimates seen in this Chamber over the last four to five years. It has no basis in either the context it was

supposed to design nor will it deliver anything to the average man in the street in Barbados. It will be another session of mistakes, excuses and secrecy on the part of this Administration.

SUSPENSION

SENATOR the Hon. Dr. J.X. WALCOTT: I beg to move that this sitting be suspended for 15 minutes.

The question was put to the Senate and agreed to and Mr. PRESIDENT suspended the Sitting accordingly.

4.05 p.m.

Monday, March 24, 2003

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

SENATOR SIR JOHN STANLEY GODDARD: Sir, this debate is taking place when mankind is in very troubled times. There is a serious breakdown with established alliances between nations leading up to the American led invasion of Iraq early in the morning of March 20, 2003, before all inspections and diplomatic efforts have been exhausted. That breakdown was highly publicised during recent televised debates in the United Nations Security Council. I am sure that many of us saw those debates.

The invasion of Iraq has created cynicism and pessimism. It has also created more alienation and uncertainty. It has aggravated alienation among countries in the United Nations, NATO, European Union, the African Union, the Arab League, people of different nationalities, religion, culture, race and classes.

Sir, it has created more economic uncertainty about the future. What would be the price of oil? All of us depend upon energy. The price of oil went up and down. No one knows where it would be settled. Here in Barbados we are dependent on oil imports. It has created uncertainty about travel. It certainly would affect the hospitality industry. People would be nervous about travel and hope that they would be safer in their own homes rather than destinations abroad. Sir, it certainly will increase the cost of insurance and it affects employment.

Mr. President, it has increased alarm over terrorism, terrorist attacks, heightened concerns over developments in Iraq and North Korea, two of the countries aligned with Iraq. Sir, by aligned I mean what the President of the United States of America referred to as "Axis of Evil". Of course, there are Israel, Palestine and the unresolved problems in that part of the world.

Mr. President, that breakdown has created deeper concerns about life as we know it on planet earth. With the proliferation of biological, chemical, radiological and nuclear weapons of mass destruction, we now refer to as WMD. Most important, that breakdown has diminished the hopes of mankind for the future.

Sir, I say that as a background of the Estimates. Before I comment on the Estimates, I would like to commend the Leader of Government Business for the way he reviewed the Estimate document earlier today. I thought he did it very thoroughly and I was particularly pleased with the attention which he paid to the Ministry of Health, the Ministry for which he is responsible and, obviously by training and experience, he is definitely qualified to talk about it.

I certainly learnt a lot and I thank him for it because we just refer to the Queen Elizabeth Hospital as a "dump hole". He explained very carefully what is being done and what plans there are to improve it because it is a national asset and it has to be considered as such. Sir, through you, I would like to thank him.

Barbados with approximately 270 000 people living on only 166 square miles cannot escape from the increased alienation, uncertainty and the other challenges that face over 6 billion people across the face of the earth, that is why I referred to these times as troubled times.

The big question for Barbados is this. How do we deal with those challenges constructively and yet within our resources? Fiscal prudence is needed more now than ever before. I have to say, after looking at the Estimates, I believe an honest attempt has been made to do just that, to live within our limited resources.

There is an administrative increase of the revenue of \$79.3 million or 4.7 percent. There is an anticipated increase of the current expenditure of 9.4 per cent due mainly to increases of \$220 million in current transfers and debt service.

Sir, the capital expenditure is expected to decrease by \$55.9 million or 17.1 per cent. As Senator Mascoll pointed out, that is about the line of capital expenditure. The total expenditure for 2003-2004 is expected to increase to \$22.8 million or 5.5 per cent.

The fiscal deficit is one figure which everyone focusses on because it indicates the financial health of a country. It is calculated on an international financial institution basis to be 4.7 per cent of GDP in the year ahead. It is expected that the fiscal deficit for the year would be about 5.6 per cent of the GDP, so that is a reduction.

The Honourable Minister of Finance has indicated that he wants to bring that fiscal deficit down to 2.5 per cent as soon as possible and I support him on that. That is a sustainable level. Once you get above that, you are heading for trouble. To reduce this fiscal deficit, we have to see how we increase revenue, which in the current economic climate would be challenging

In view of the war in Iraq, and its expected negative impact on the local and international economies, the estimated revenue may not be realised. Therefore, total expenditure may have to be reduced further to keep the fiscal deficit at a manageable level. The fact that we approve an amount for expenditure does not mean that expenditure has to be met. A lesser amount could be disbursed.

More serious attention would be needed to implement the recommendation of the Auditor General's Report on the accounts of the Ministries and Government of Barbados. That should contribute in a meaningful way towards reducing further the level of the fiscal deficit. I will return to the report of the Auditor General a little later in this debate.

Sir, I would like to review certain Heads. I do not plan to do this in detail because I would be repeating much of what has been said already.

Head 16 - Public Sector Reform: There is an estimated expenditure of \$1.3 million. I am asking if that is adequate to accelerate this reform programme for which the public can expect so much. It appears to me that much attention is being paid to computerising and improving procedures. That is good and important, but is equal attention being paid to the human resource development of persons in the public sector in such matters as punctuality, discipline, courtesy and respect to be shown to customers and colleagues?

We hear a lot about Public Sector Reform but, in my opinion, private sector reform is just as important. In this age, trade liberalisation and economic globalisation, increasing competition places a high premium on positive work attitudes to support the essential services.

We also hear a lot about productivity, but productivity must be more than just a word that we throw around on television, radio and the Press.

4.35 p.m.

Monday, March 24, 2003

SENATOR SIR JOHN STANLEY GODDARD:
Productivity has to be a national attitude that is internalised

and demonstrated and consistently at work, in every aspect of service, both the private sector and the public sector.

The Ministry of Economic Development has been assigned \$33 million. I submit that an appealing educational programme is needed to remove the negative connotations attached to the word, "profit", and I stress it, profit, that still exists in some parts of the Barbadian society.

I know that I came from a private sector background and I do not have to apologise for that. Those connotations are obsolete in an age of international competitiveness. Legitimate profit has to be equated with progress in economic and social development. Profit only has significance when it is related to a level of risk and return on investment. The word, "profit", in isolation is completely meaningless by itself, but it is a word that is so easily exploited.

The Ministry of Education, Youth Affairs and Sports, \$409 million represents \$17.5 per cent of total expenditure. I want to ask this question. Is sufficient attention paid by this Ministry to deal with the harmful effects on youths of the use of illegal drugs, the abuse of alcohol, slack lyrics as opposed to the positive conscious lyrics in dub music, pornography, improper language, dress and deportment, indiscipline, low spiritual and family values?

Asides.

SENATOR SIR JOHN STANLEY GODDARD:
Maybe, a lot of attention is being paid to those areas. I do not know and I know there are many others. Somehow, I believe the public needs some assurance and we are not just looking at higher academic attainment, we are dealing with essential values.

There is an important role for mentoring in the schools. Approximately a year ago, I, along with two or three other retired men, perform that function at St. Cyprian's Primary Boys' School. Every Friday morning, one of us would go there for half an hour to 40 minutes. We attended prayers with the boys and then talked to them on questions like the family, responsibility, home and beauty.

The feedback I had from those boys was very positive. The feedback I had from many of the mothers of those boys was a wonderful surprise to me. Many of them I did not know, but they would meet me in various places and thank me. I am sure they thanked the others who are performing the same function, for spending time with these youngsters.

These are the boys in the two classes at the end of primary school and here it is, retired persons, sharing their life experiences. Most of us are certainly fathers and grandfathers, with these youngsters, treating them as though they were own grandsons, and trying to share values with them, based on our own experiences.

It was not continued but I still have a very high opinion of that programme and I certainly would recommend that it is taken, only if on a trial basis, with retired men speaking to young boys and retired older ladies speaking to the young girls.

We must not keep blaming the youth, if we are not prepared to do more to assist them. The battle is for the minds of the youth and that battle starts in the homes, then in the schools and then in the churches. We have to recognise this.

Sir, there are other issues requiring attention, sooner or later, which are not necessarily reflected in the Estimates but which will have an impact on Barbados. One is, what is the future of the sugar industry? How much longer can it be subsidised by the Government, at existing levels? I do not know the exact figures, but I understand it is subsidised by Government, between \$500 and \$600 per tonne of sugar produced. If we are producing 45 000 tonnes of sugar, that is somewhere between \$20 million and \$25 million a year.

I understand it may be as high as \$30 million. How much longer can that be sustained? I know, agronomically speaking, we need a grass crop and sugar has always been the best grass crop to protect our shallow top soil, but this requires some serious study.

We have to look at the improved maintenance of public buildings. Too often we hear about buildings being closed for good reasons. For example, the air-conditioning not working, foul odours or whatever, where people have to leave the office for one, two or three days. This downtime has a cost and we have to be very mindful of that, so more attention needs to be paid to the maintenance of public buildings.

Recently, Sir, we had an upsurge of walkouts or wild cat strikes. The President of the Employees Confederation of Public Workers gave some figures only last week which were staggering, the amount of man hours of production that had been lost. I do not pretend to know the reasons but it seems to be happening on construction sites. It has happened recently in the Customs Department, in the Auditor General's Office, Cable and Wireless/BARTEL Limited and other places.

There has been some talk about this Employment Rights Bill and I do not know whether or not that will address this problem but it is a problem that has to be

addressed. Union leadership has responsibility to control and direct its membership, whether it is unions in the private sector or the public sector. The impression is being created that leadership has lost or is losing control of their membership. This is a serious situation which has to be addressed.

Sir, another suggestion that I would like to make, if it has not been done already, is that some cost benefit analysis is undertaken on gambling. I am referring particularly to gaming machines and lotteries. Let me say, up front, that I am not against gambling, although I am not a gambler but we hear so much about the benefits.

Gambling provides money for sports, for development of cultural events and they are both important. Have we ever stopped to think of the social costs? What has made me conscious of this, are two things. I used to occasionally buy a quick pick lotto ticket, when I filled up on gas. This may happen once a month, \$10 the most, but when I saw persons in there who were spending between \$50 and \$100 on lotto tickets and I could access that they would have a hard time to really afford it and it worried me.

Secondly, when it comes to the gaming machines, what system of inspection is there for those machines putting out a fair return? There are standards across the world. Wherever there are gaming machines, a certain percentage of that money, the operators can keep to cover their expenses, but the rest has to be paid out. Unless those machines are inspected regularly, and there is a special accounting and auditing of those accounts, those operators can do as they like, and the same thing would apply to lotteries. If we are going to have that type of gambling, it has to be controlled very carefully.

Another point I would like to make, Sir, and I am sure that we are all conscious of this, is the congestion on our highways and roads. I do not pretend to know the answer but some study needs to be undertaken to deal with that congestion in the years ahead. The Government recently spent a lot of money on improving the roads. I heard talk today of widening the highway.

Sir, I am speaking from my own experience. I live in St. Philip and if I leave home before 7.00 a.m., I could get into town by 7.30 a.m. If I leave home at 7.30 a.m. I can get into town at 8.30 a.m. This is twice the length of time and I hear this complaint all over the place, so we have to pay more attention to the traffic flows in the future.

Next, Sir, I come to the completion of Sherbourne Conference Centre. I believe it is running profitably now, rather, I hope so but, when you leave steel beams exposed, you may just cover them with wood, but if they are still exposed to the elements, they will rust. I think a decision

has to be taken. Should Sherbourne be completed or should that steel be inspected and dismantled? I am talking about the steel beams that do not bear any weight.

Mr. President, we have heard today the talk of waste management. Money is put in the Estimates for the Greenland landfill, other cells at Mangrove, incineration and other means of waste disposal are being investigated. I am very pleased to hear that because solid waste management is very important and it is a problem.

4.45 p.m.

Monday, March 24, 2003

SENATOR SIR JOHN STANLEY GODDARD: I come now to the development or the disposal of the St. Joseph Hospital. The St. Joseph Hospital has been lying there for years. In its present state, it is a wasting asset. Right now its only value is probably in its land. Maybe some of those buildings can be used. Can we develop it or can we sell it? I probably favour selling it.

The same applies to Paradise Beach Hotel. It is a very valuable asset on the beach. Do we redevelop it or do we sell it? I believe it is bound up in certain litigation right now, so maybe this is not the time.

I come now to Hotels and Resorts Limited which was covered very fully by the previous speaker. Today we have these reports which show, as we know, that in the first three years of its operation, it has accumulated losses of \$37.5 million. It has a share capital of \$19.7 million. Technically, this is a bankrupt company. However, the Government was there to provide loan funds or guarantees for loan funds.

In the private sector this entity would not be existing because it is technically bankrupt. It has \$35 million in losses for the first three years. The first year was \$5 million, the second was \$10 million and the third was \$20 million. I think it is fair to project that that loss at the end of 2002 would be closer to \$60 million. This little island cannot afford that.

Finally, and this is very topical, I come to the World Cup. The Caribbean will be hosting the cricket World Cup in 2007. We have seen the extraordinary event, if I may describe it that way, of the recent World Cup in South Africa. It seems to be very well organised and we certainly saw magnificent facilities. At the final on Sunday, 31 000 persons were in attendance. What are we doing as a nation? I think Government has to be involved in this. I do not see the private sector having the capital by itself to provide facilities for this World Cup.

Mr. President, this list is not exhaustive, but in view of the economic climate, I realise the Government may have to tread very cautiously in proceeding with some or all of these items.

I would like now to turn to the Report of the Auditor-General. I have the reports for the years 2000, 2001 and 2002. It is an annual recital of deficiency. If we are looking to maximise revenue in the Estimates, there is unrealised revenue in the system. If we are looking to reduce expenditure, there are opportunities existing. All of these have been highlighted by the Auditor-General, but it seems to me that this report is just tabled but serious attention is not paid to it.

Section 113(3) of the Constitution and Section 28(3) of the Financial Administration and Audit Act requires the Auditor-General to lay his reports in Parliament annually, which he does. His transmittal letter to the Speaker of the House of Assembly is always dated in January. His annual reports indicate that many ministries and departments of government are failing to implement his recommendations year after year after year.

Mr. President, I would just like to read from a few of the sections to highlight what he has reported and what I have been saying. First of all, the Mission Statement of the Audit Office is to strengthen public accountability by providing fair and independent reports after careful examination of accounting records and use of resources. That could not be clearer.

Secondly, the goal of the Audit Office is to promote staff development, ensure achievement and maintenance of a high standard of auditing and accounting in the public sector, and contribute to the general efficiency and effectiveness of public service financial management. That too could not be clearer.

Before going to what he has to report, I probably should look in the Estimates at the auditing services. Across the other side from page 34 in the Estimates of 2003-2004 under subprogramme 100, it states that the subprogramme provides for the following. This is instructive:

“1. Audit and inspection of all public accounts with regard to revenue and expenditure of the Consolidated Fund, Special Funds, Departmental and other accounts.

2. Examination of public accounts to enable the expression of an opinion on whether the accounts are kept on a correct system, they are punctually posted and checks against irregularity and fraud are adequate and effective.

3. Determination of the level of compliance with, or observance of laws, regulations, rules, orders and other instructions.
4. Examination and certification in accordance with the outcome of the examination, the several statements, accounts and forms required by law to be submitted to the Auditor General.
5. Audit of the accounts and statements of statutory bodies and other organisations as required.
6. The conducting of value for money audits."

The cost to the taxpayers is \$3 million per year to run the Audit Department.

Here it is we are looking to maximise revenue and we have a section here dealing with the management of arrears. Before I get to the management of arrears, let me deal with the general audit issues. These are general but they seem to apply across the board. This is not just for 2002. The same comments have been made as regards 2000 and 2001 and I have no doubt prior to that.

4.55 p.m.

Monday, March 24, 2003

SENATOR SIR JOHN STANLEY GODDARD: "Prompt financial reporting is a problem for some Ministries, departments and statutory boards. Annual financial statements were not received from several ministries and departments during the course of the year. In addition, there are some statutory boards which have not had audit reports issued on their financial statements for several years."

Mr. Deputy President, this is an area concern.

Section 116:

"In accordance with Rule 41 of the Financial Rules, officers charged with the collection of revenues are to furnish to the Auditor-General with returns showing the state of arrears at the end of September and March in each year. Such returns are not being submitted as required." In my last Annual Report it was recorded that returns submitted showed arrears and revenue in excess of \$341 million. Audit investigation continues to reveal that the outstanding amounts continue to rise. This high level suggests that there continues to be major problems with arrears management and it is considered that the focus of this issue should be given higher priority. "The problems highlighted in previous reports concerning bank reconciliations persist. Accounts of several government ministries and departments have not been reconciled for some time. It is noted that, as a result of overspending and

contrary to the Financial Rules, some accounts attracted overdrafts and interest charges."

Mr. Deputy President, years ago I have been trained as an auditor. This is the most fundamental thing. Cash is the easiest thing to latch onto sticky fingers. Unless bank accounts are reconciled regularly, at least once a month, the door is wide opened for manipulation.

"Inventory management continues to be deficient. The audit reveals that accounting personnel in several departments have not exercised the due care and diligence necessary in respect for certification on claims for payments."

Sir, we can pay but we have to make sure that all the "i's" are dotted and the "t's" are crossed, otherwise the door is wide open for collusion. I am not suggesting that it happens. I am saying the potential for that is very great.

Management of Arrears:

"The issue relating to the management of arrears were addressed to some extent in my 2001 Annual Report. Audit investigation, however, reveals that there was little improvement in this area of activity."

It was \$342 million March 31, 2002, approximately the same as it was the year before. Those arrears are made up of \$83 million from the Customs and Excise Department; \$96 million in Land Tax; \$18 million in International Transport; \$126 million in Inland Revenue; \$19 million in the Treasury Department.

The biggest single one in the Treasury Department is the one owed by the Barbados Turf Club. I have reason to believe that, for some years, they have been trying to come to some arrangement with Government how that debt can be paid off. Racing is a very important activity in this island.

An independent study done by one of the professional firms in 1997 has estimated that horse racing and related activities contribute more than \$100 million to the economy due to the foreign exchange it earns, the business it attracts, the people it employs, et cetera.

It is estimated that televising of the last Gold Cup race was viewed by approximately 18 million people. This is a big tourist promotion. Therefore, I think that the sooner the Barbados Turf Club and the Government could come to some understanding, so much the better.

These figures that have been quoted are an indication of the high level of arrears that are due to the Government. They do not represent the total arrears of revenue as several ministries and departments have failed to submit the

relevant documentation. Sir, the survey at the back of the Report also indicates the departments and ministries that have not submitted their reports.

Sir, I would only emphasise that auditing is a very important function. Whether it is in the public or private sector, there has to be an independent assessment and an opinion expressed whether those accounts are fair and accurate. I would urge the Government to pay more attention to the Report of the Auditor-General and not just treat it as an annual statutory exercise. It is a tool of management. Managers within the public sector need to recognise it as a valuable tool to assist them in getting more productivity and a better performance out of the ministries.

Every accounting system needs to have internal controls against errors, fraud and waste built into it. When such controls are either lacking or deficient and are not monitored and audited independently, the opportunities to exploit weaknesses in the system are obvious.

Jamaica has just launched a Corruption Prevention Commission this month. Trinidad and Tobago is gearing up spending more public funds on hiring top lawyers in efforts to hunt and to expose corruptions. It is my understanding that similar needs may exist in Guyana and elsewhere in other CARICOM countries.

Without making any insinuations or accusations regarding Barbados, I draw your attention to an old Bajan saying, "when yuh neighbours house on fire, dat is the time to hold down yuh own."

I wish to commend the Auditor-General and his staff for the observations and recommendations that are outlined in their Report for 2002 and in previous Reports. I hope Government would now pay more attention to those Reports and would strengthen the resources of the Audit Department.

Finally, I would like to turn to the outlook because these Estimates do not exist in a vacuum. Are they achievable or not? Can anyone be confident about the projected expenditures in the Estimates 2003-2004, under existing circumstances? Surely they cannot, before other issues with which we have little or no control, are addressed. Will there be more "shock and awe", a phrase we are seeing on television daily and have come to memorise?

5.05 p.m.

Monday, March 24, 2003

SENATOR SIR JOHN STANLEY GODDARD:
Mankind needs hope in order to create a better future. Will there be a spiritual awakening and what are the other

alternatives, if any? We are really living in trouble times. A war that appears to have no basis in international law or morale authority was started by an American led on Iraq on March 20, 2003. That war was avoidable.

The attack was based on the doctrine of preemption. Was it the result of the USA but not sharing sensitive military information with its allies, or was it due to the USA impatience with the United Nations or due to the arrogance of a superpower? Sir, I do not pretend to know the answer but those questions must be addressed.

It was not and could not be sanctioned by the Security Council of the United Nations. Mr. President, It has established a bad precedent and I predict that will haunt the world community for years to come.

For example, what will be the future between China and Taiwan or Venezuela and Guyana and we can think of other countries. A precedent has been established by the only superpower in the world today, military and economically and others will say that if the USA can do it, we can do the same, and this is my concern.

The people of the world are strongly opposed to the regime of President Saddam Hussein of Iraq. He is despised and attested universally. Most importantly, except for the majority in the USA, they are equally opposed to this war and by their words and deeds they have demonstrated their opposition to it in no uncertain terms. Their public protest and the advice and warnings of Nelson Mandela, Koffi Annan, Pope John Paul and many other prominent world leaders have been ignored.

The USA has claimed that it has support for its attack against Iraq from Governments of more than 40 countries and this is a fact which is published daily. If this is correct, the world may never know if and how such support was obtained whether through bullying, bribery or other means. However, the world knows through published polls and public demonstrations beyond any shadow of a doubt that the large majority of people in most of those same countries as well as in the USA and Britain are strongly opposed to the war.

While Barbadians bear no responsibility for the war, we have to live with its consequences and the problems it will create. As Barbadians and West Indians, we can be proud that CARICOM earlier announced their opposition to it publicly. CARICOM's opposition must be expressed in the United Nations General Assembly. We do not have to take any advice not to attend or how to vote because we have our integrity to protect. If we do not protect our integrity, people will lose respect for you and we have to be sure to attend that meeting.

I say we have to attend because it is alleged that the USA is advising us not to attend but to abstain. The Constitutions of the Caribbean countries allow for freedom of expression. The First Amendment of the USA Constitution provides for freedom of expression and religion. We cannot claim protection under the USA Constitution but we can invoke the spirit of that amendment. The Americans are looking to maintain freedom of expression in their country but are seeking to deny the same to Barbados. Sir, it does not make sense but we have to stand up and be counted.

The slow economic recovery that Barbados has been experiencing has been reversed. This will inevitably reduce our foreign exchange earnings and empowerment level and this is being realistic. We face a challenge that will be far more serious than the one we faced after the Persian Gulf War in 1991.

We must strive together as Barbadians to overcome the formidable challenges that lie ahead and it will not be easy. We must also strive to retain and strengthen our relations with the USA, Britain and other allies and friends. It is easy to get lost and be carried away with personalities we do not like so we must focus on issues and principles and not on personalities and deal with those in our enlightened self interest.

I have always had and still have a great admiration for Britain and the USA but on the current issue of the attack of Iraq I believe they are wrong and I feel strongly about this.

The Japanese preemptive attack on Pearl Harbour occurred on December 7, 1941. President Franklin Roosevelt happily described it as a date that will live in infamy. Most regrettably, unless weapons of mass destruction are found in Iraq, history will also record March 20, 2003 as another date that will live in infamy.

SENATOR T.E. BARKER: Mr. President, I rise to support this Bill before us and to commend it to this Honourable Chamber and, by extension, to the country as a whole as yet another example of this Government defending the economic interest of the people of Barbados. We know from our experience that this Government has defended the social and political interest of the people and is now demonstrating that the economy prospers and we grow as much as possible, given the difficult international situation.

Sir, we are in a difficult time in a difficult world where the mass of uncertainty is upon us. We cannot adequately plan for tomorrow because we do not know what tomorrow is going to bring, but we know that we cannot sit and do nothing. We have as far as possible to ensure that our institutions are in proper working order and

that we pay attention to economic fundamentals because, in the final analysis, all the lovely programmes we have for social engineering and the fancy talk, if this economy is not correct, our plans will fail because in the final analysis it is of vital importance how we get and spend our dollars and cents.

We started to have economic problems before the infamous September 11th as a result of difficult international conditions which saw a determination in our tourist section and saw our offshore sector under some stress. We saw a lessening demand for products worldwide which threw our fledgling manufacturing sector into problems and these Estimates for the coming fiscal year comes about at a time when we are slowly emerging out of that recession.

For the past two years the world has undergone some difficulties. We saw large economies like Argentina, Brazil, Venezuela, Japan and others under severe stress. We also know of difficulties in Asia, the second largest economy in the world where for years they have been trying to get out of an economic quagmire. Germany, the largest economy in Europe seems unable to arrest a decline.

5.15 p.m.

Monday, March 24, 2003

SENATOR T.E. BARKER: There is Germany, the largest economy of Europe, seemingly unable to arrest a decline. Sir, it is no wonder that we are presently undergoing some difficulty.

Mr. President, the test is, not whether or not you can drive. It is not how you perform on a dry road when there is little or no traffic. The real test comes when you have a lot of traffic and a little bit of water on the road. That is where your skills are called upon. When visibility is low, you see danger and that brings out the test.

I want to tell this Chamber that this is not the first time that this country was in economic danger. In 1990 we were almost in the same situation and let us compare how we feared then with how we fear now. We all know that the crisis of 1990 had more to do with local economic mismanagement than it was with any international conditions.

Mr. President, from 1989, we were then in Opposition, and we were warning the then Democratic Labour Party that the rate at which they were going they were going to drive the economy in serious problems. Mr. Sandiford, now Sir Lloyd Sandiford, or Mr. David Thompson would not take heed. They brought in the guru,

Clyde Mascoll, a Member of this Chamber, and from all reports he made a bad situation worse. In spite of all the warnings that they had, they still went ahead with the reckless spending. The worst statements I ever heard any political leader in the country make was one made by the then Prime Minister of this country. In an interview he said that he knew what to do but he was not about to commit political suicide.

Asides.

SENATOR T.E. BARKER: Sir, this is not hearsay. I heard it with my own ears.

Sir, he knew what to do but was not about to commit political suicide but he was about to kill the whole country. In short, the health of the Democratic Labour Party was more important than the health of the country.

Mr. President, the 4 000 that went home and the remainder of the civil servants went on an 8 per cent cut. All of them suffered because the then Prime Minister was not about to commit political suicide. All their hopes and aspirations were frustrated resulting from the then leader of this country, according to him, was not about to commit political suicide.

Mr. President, let me talk about the contempt with which they treated Barbadians. They felt that Barbadians were so foolish that they could not appreciate when a Government was working on their behalf. The result is history. The suffering that resulted could have been avoided. When the Opposition is talking about rescuing the economy, it is like a doctor that gave you the wrong diagnosis and instead of your getting better he made you worse. Then he carried out a surgical procedure and claims credit that he is a boss surgeon.

Asides.

SENATOR T.E. BARKER: However, he forgot to tell you that if he had given you the proper medicine for the common cold in the first place, he would not have had to perform this complicated surgery.

Asides.

SENATOR T.E. BARKER: Sir, all the trauma that the patient went through to make him look good as a surgeon could have been avoided if he had done the correct diagnosis in the first place. Sir, that is the analogy that comes to my mind.

Mr. President, they tell us that they were under pressure from the IMF and they had to do what the IMF told them to do.

When we came into power in 1994, one of the IMF representatives had one of the best offices in Bay Street. I remember the 1991 Budget, the only one that David Thompson presented to this country. The IMF representative was in the Honourable House of Assembly parading. Sir, that is what we were reduced to. When the Democratic Labour Party talks about what they did to the economy in 1991, they have to recognise that they caused the country to be in that position.

The Democratic Labour Party talks about being the pioneers of free education in Barbados. They ought to tell the people in Barbados that when they left office what they were in the process of negotiating with the World Bank. One of the items on the agenda was the payment of fees at the Samuel Jackman Polytechnic and the Barbados Community College. I am not saying that they would have done it. I am saying that it was on the agenda and it was being actively discussed. They were also discussing rents, bus fares and water.

Mr. President, they also said that they were going to go into some enhanced surveillance programme with the IMF. Sir, that is what happened when the crisis hit Barbados.

Sir, the difference between 1990 and the present crisis is, the sensible man prepares for a famine in the time of plenty. When things are going good, you prepare yourself for any eventuality because you will be telling yourself that things will not go good forever. There is going to come a time when there is going to be some problem in the international economy, some not of your own making, so you must prepare for any eventuality.

Mr. President, that is why we pay so much attention to economic fundamentals. That is why we made sure that when things were going good we did not run any large fiscal deficit. When things were going good, we did not engage in reckless spending but we prepared for any eventuality.

Sir, a year-and-a-half ago the Prime Minister was able to tell this country that we are going to get through this crisis without the loss of any public sector jobs because he knew that the work he had done in the past few years was about to pay off. Our foreign reserves were in a very healthy situation. Even though the situation might have called for a reduction in spending, it might have called for enhanced revenue measures.

We had run a tight ship over the past five years prior to 2001. We were able to have the liberty of running a larger deficit. The deficit was large in 2001-2002 and 2002-2003. Sir, we were only able to do that because five years prior to this, we were paying attention to our economy and putting it in a position that it could earn foreign exchange.

Sir, the tourism sector was put in a position where it could prosper and putting the manufacturing sector in a position to take advantage of what was happening.

5.25 p.m.

Monday, March 24, 2003

SENATOR T.E. BARKER: Sir, remember that one of the first acts in this Barbados Labour Party in 1994 was the removal of onerous duties on agriculture and manufacturing. I can also remember the present President of the Democratic Labour Party. He was in the Senate then. He poured scorn on the measure to relieve the agricultural and manufacturing sectors from excessive taxation. I remember hearing him in here, pouring scorn, saying that it is not going to do anything.

Sir, I will say that because of the attention we paid to those sectors then, we are reaping some of the benefits now. I am not saying that all is well in those sectors but what I am saying is that the attention we paid to them helped them to perform a little better than they were performing.

Sir, the crisis that we are now hopefully emerging from, ended with us...

Asides.

Senator T.E. BARKER: The difference is that at that time, unemployment increased to about 27 per cent of the workforce, under the Barbados Labour Party. The last figures showed that unemployment rose only slightly from about 9.7 per cent to 10.6 per cent, less than a 1 per cent increase, Sir, at a time, when we saw the opposite happening, all across the world, even in Germany. This is no comfort, but it is a fact that our unemployment rate is the same as in Germany.

Sir, we believe that any Barbadian unemployed is one Barbadian too many. We have to see things in the perspective that when we have an employment rate which equals that of Germany, it shows that we must be doing something right.

Sir, when the Prime Minister said that this economy is capable of providing 30 000 jobs, the then Opposition laughed and that was the big thing in the 1994 election, Arthur promised 30 000 jobs, as though it could not be done. Sir, the records show that in 1993, the last year that the Democratic Labour Party was responsible for this economy, 100 400 persons were employed.

In 2001, one hundred and thirty thousand, eight hundred Barbadians were employed. Sir, simple arithmetic of which all of us in here are proponents, would tell you

that is more than 30 000. They laughed us to scorn but we assured them, we took the lashes because we said in 1994, job number one is jobs, and, thank God, we have been faithful to our mandate. Sir, 130 800 was the largest annual figure for employment ever in this country.

Sir, in the last year, we slipped by about 2 000, but in the context of what was happening worldwide, that was a tremendous achievement. So much so, Sir, and this is something that we must not forget, the total number of persons employed in the last quarter of 2001 was over 134 000 persons. This is the largest on record, so that at a time when the economy was in recession, because of our proactive measures, because of the way we treated the people of Barbados, and at a time when the international economy was under great stress, Barbadians were being employed.

Sir, this is because this Prime Minister took the courageous decision that we are going to get through this crisis, without any significant loss in public sector employment. Sir, do not let anybody think, for one moment, that the State was the main employer. I heard a lot of Democratic Labour Party propaganda saying that the State was the one doing all the employing, but what do the figures say? I always say that figures do not lie, but liars will figure. What are the facts?

Sir, I could go back to 1991. In 1991, twenty-four thousand, seven hundred persons were employed by the State out of a total environment of 107 000 and that is 23 per cent. So in 1991, 23 per cent of the people employed, were employed by the State. In 1993, and that was when the full weight of the IMF Programme came down on Barbadians crushing their hopes and aspirations, that figure was reduced to 20.9 per cent.

Sir, by then, the number of people employed by the Government had dropped from 24 600 to 21 000. Sir, that is when 3 000 or 4 000 were sent home unceremoniously. What happened also is that not only did the number of persons employed by the State fall, but the total number of persons in Barbados, as a whole, fell. We lost 7 000 jobs on the whole so both the public sector and the private sector were shedding jobs.

Sir, when we come to the year 2000, we found that the State was employing 25 000 persons, slightly more than in 1991, but the numbers of persons employed were 128 000, so that we had a massive increase in employment, but the State was employing just as many as in 1991. In 2002, the State was employing a little more because the State's employment rose to 27 700, and the overall employment remained the same.

Sir, the point I am making is that the figures are giving a lie to the Democratic Labour Party propaganda.

The employment by the State is less in percentage terms than it was in 1991, and it was about the same as it was in 1993, so if the State is doing all the employment, the figures do not show it.

Sir, what the figures show is that the State took the lead, where we were trying to preserve jobs. The private sector responded, in kind, because they had the confidence in the ability of the Prime Minister and the Government to run the affairs of this country. They responded, in kind, and significant investments were made to ensure that the people of this country benefitted from what was going on.

Sir, even today, we see that the private sector is continuing to make the solid investments that are needed. Only two weeks ago, we saw another private sector building going up at Warrens.

Sir, the State's employment has always been significant and will always continue to be significant in our economy. But what is of more importance is that the State is leading the way and making the environment conducive to investment, so that the private sector can take up some of the slack. The result is, that the level of employment is remaining steady.

Sir, on This Side, our record on employment is second to none. Historically, we have always been associated with low unemployment because the only time we had a 10 per cent level of employment was around 1980. Do not forget that in 1973 it was around 27 per cent. It is almost fair to say that the Democratic Labour Party is associated with high unemployment and the Barbados Labour Party is associated with low unemployment. This is almost a truism, and the record is there.

Sir, even in 1986 when we were put out of office, the unemployment level was on the way down, after it went up in the 1980s.

5.35 p.m.

Monday, March 24, 2003

SENATOR T. E. BARKER: The point I am making is that we had two crises, but the response of the two Governments was totally different. The result is that in one case, because of the local condition, and because the Government then was not prepared to pay attention to local economic conditions, this country underwent a massive devaluation in our standard of life and our standard of living.

This present crisis so far sees the country coming out of a recession with our social institutions intact, with our people at work and there is hope in the economy. When we took the decision to maintain economic activity, we knew

that it would result in higher deficits and that it would cause some problems in our foreign reserves, but we had the economy sound enough to undertake such decisions.

The fact that our credit rating may have slipped a little bit is to reflect on the fact that we are not about to cut expenditure to send home people, and we are not about to increase taxes to increase revenue. We knew the down side of that would be that we would have higher deficits and that we would have a lessening of our credit rating, but we could have taken that decision given the fact that our economy was basically sound. That is why this year we took the decision to hold strain especially with our capital spending, because we knew that the private sector is now in a position, after the difficulties seem to be over, to carry forward and to do what they were doing in terms of investments and in terms of providing jobs for the people. The pipeline for investment projects is there.

The Honourable Senator mentioned the much maligned Hilton Hotel. I do not know why the Opposition seek to find skeletons where there are none. They are looking under every rock for a bone.

Asides.

SENATOR T. E. BARKER: Some may say for a slug but they are examining every...

Mr. PRESIDENT: Senator, I am not sure I like your choice of words, perhaps you can improve on them.

SENATOR T. E. BARKER: They are going to attack the GEMS Project when everybody knows that the GEMS Project was as a result of the fact that a lot of the South Coast hotels were about to go into receivership and the GEMS Project was a way of saving a lot of Barbadian properties on the South Coast. We can defend them because we knew that there were jobs...

SENATOR LeR. H. McCLEAN: On a point of order. The Honourable Member is misleading this Chamber because I do not think that Blue Horizon or Eastry House would fall into that category, so the premise on which the Honourable Senator is basing the origin of the GEMS Project is really misleading this Chamber.

SENATOR T. E. BARKER: Sir, I know. I was there. The Barbados Development Bank was about to close down and we are standing by the decision we took. Even the Opposition was saying that the GEMS Project was a good project. Now all they are concerned about is to see who gets what and all of that.

We took the decision on the GEMS Project and there came a time when we had to take more decisions and we took them. When we found out that things were not going a

certain way, we took decisions, but all we are hearing about now is JAWS and who got what. The fact remains that we had to take that decision at that time to protect Barbadian interest.

The Opposition is talking about the Hilton Hotel now. I do not know what the beef is about the Hilton Hotel. The point is that this Government has done wonders in terms of managing the economy, in terms of being progressive, in terms of positioning this country and above all, defending the economic interest of this country.

After the recession, unemployment remained steady, prices remained steady, our debt went up a little bit but our foreign reserves were still in a good position. We were facing uncertainty and we took a decision because we do not know what tomorrow is going to bring and therefore we are going to prepare for the future.

If the Democratic Labour Party wants to castigate us for that, well then, we are castigated, but the public knows the truth and they know where their interests lie. That is why, in spite of all their propaganda, and in spite of their dominating the Call-in programmes with all sorts of hysteria, the people of this country will defend their interest.

Sir, let us now look at some issues at the macro level, especially as it relates to the Estimates. Senator Mascoll made a song and a dance about the fact that Barbadians are overtaxed. Sir, for some people one per cent taxation is too much because people basically would prefer to pay less taxes, but there are always two sides to an equation.

Less revenue means less spending and less spending means that instead of the State spending, you, the individual will have to spend. It means that you will have to pay to send your children to secondary school and to university and the social mobility which gave rise to the society that we have, would be lost.

Many of us in here would not have been in here were it not for the State subsidising our education; that is a fact. That was started in 1952 when the then Barbados Labour Party decided that they were going to build secondary schools for the masses. They built the St. Leonard's School, Parkinson Secondary in the Pine, Princess Margaret in St. Philip and West St. Joseph Secondary. The State felt that it had to take the leading role in providing education for the masses and that has a cost. There is a cost to establishing a society.

It also has tremendous benefits. The fact that you may be poor does not mean that you should not have access to the best health care available. There are very few countries in this world where people can get bypass surgery

on the State. That happens in Barbados and there is a cost to that. The cost is that we will have to pay taxes.

If we go on this mad craze about cutting taxes in order to find favour with the voters, as though the voters do not know where their true interest lies, all it would mean is that the poor would not get the education and the health services they deserve and our sanitation services will not improve. There are two sides to the equation. Cutting revenue means cutting expenditure basically.

5.45 p.m.

Monday, March 24, 2003

SENATOR T. E. BARKER: Mr. President, let us remember that in 1986 we had this debate about cutting tax, tax-free, et cetera, and the people believed that they were going to get \$15 000. In July, after winning the election, they brought a Budget and there were massive giveaways. They gave away everything. People got their houses repaired through the State but who were they? They were not the poor but the rich who benefitted tremendously.

Sir, to the credit of the then Minister of Finance, by April of the next year, he saw the errors of his ways and imposed upon Barbadians the largest ever increase in taxes, in April 1987, when the consumption tax was increased by 15 per cent.

SENATOR B. R. COLLYMORE: On a point of order. Mr. Barrow died on 1st June, 1987, and the Minister of Finance who made the significant changes was Mr. Erskine Sandiford.

Mr. PRESIDENT: We cannot have this dialogue. Please proceed, Senator.

SENATOR T. E. BARKER: The Minister of Finance was Dr. "Richie" Haynes. He resigned from the Party after the Right Excellent Errol Barrow died. He was the Minister of Finance in July 1986 and in April, 1987. Sir, within nine months, they had to reverse themselves because it sounded good on the political platform.

Sir, we had a two-hour speech from the Leader of the Opposition, who said he is going to bring us the DLP's plans for the country, but his speech on the DLP's plans for the future only lasted for five minutes. There is an old Bajan saying, "Fool me once, shame on you. Fool me twice, shame on me". Therefore, we have to be very careful when we talk about cutting revenue, because it sounds good but the premise on which it is based has no foundation in numbers.

The Member has said that we have moved the tax take from 30 to 40 per cent. Sir, I have checked the figures

and there is no where the tax take has increased from 30 per cent to 40 per cent. My figures are not wrong. What I have found is that it has increased from 33.8 per cent to 38.1 per cent.

Sir, let us not forget the increase in VAT on tourism. A lot of that tax is paid for by the foreign sale corporations and the IBCs. If those are being factored out, one would see that the tax increase has not increased much in our time.

Sir the Honourable Member is playing upon emotion in order to curry favour with the electorate. If he cannot deal with North West, I do not know how he can deal with the country.

Sir, it is not good to come into this Honourable Chamber to use figures unless one is accurate in those figures. It does this Chamber no good when any Member comes and misuses figures. Yes, there has been a slight increase in the level of tax takes but one must also look at the level of services that are offered. Barbados now has a level of services which are second-to-none in this part of the world.

Sir, let us look at the older people who are living better because of the intervention of the Rural and Urban Development Commissions. Sir, look at those persons who now have better roads because of the efforts of this Government to provide proper asphalt or concrete roads for the people of this country. Older persons are now having their homes fixed. Others are having their hopes and ideas being realised because through the Urban Development Fund and Rural Enterprise Growth Fund, they have been able to start their own businesses. It is no wonder the DLP are singling out those institutions for their worst venom because they know that this is helping the ordinary citizens who will respond in kind whenever the bell rings.

5.55 p.m.

Monday, March 24, 2003

SENATOR T.E. BARKER: The Honourable Senator must tell us if he is going to cut revenue and put back VAT on food. I know he is a person that likes a challenge and I hope he takes up the challenge.

I want to spend a few minutes dealing with the subject of energy because that is an area that caused us some anxiety, especially given the happenings in the Middle East and a few months ago the biggest exporter in this region, Venezuela was undergoing a bit of domestic difficulty which was impacting on their ability to export oil.

Sir, the point must be made that this Government's record on energy and energy prices is second to none. When we came into office, the price of gasoline at the pump was \$1.54. Over the past eight years we took decisions which saw the tax on gasoline reduced by \$0.25 and the tax on diesel reduced by over \$0.30 per litre. At a time when the price of oil is \$25 per barrel Barbadians are paying less for gasoline than they did in 1994 under the Dems when the price of crude was \$15 per barrel. Sir, I want to repeat for emphasis that in 1994 the price of crude was \$15 per barrel and we were paying \$1.54 at the pump. The price of crude now is \$25 per barrel and we are paying \$1.48 at the pump. This is because we reduced the tax take on one gallon of gasoline by almost \$1.00. To make matters better, the businessman who buys diesel and gasoline gets it at a cheaper price because VAT on gasoline and diesel is an input tax which is returned to the producer. Sir, this is our record as far as energy prices go.

We also took a decision to close the Mobil Refinery. In 1986 the Dems increased the guarantee profit of the refinery to 15 per cent after tax even though Mobil had a monopoly to provide the country with fuel.

Sir, I want to make the point that Mobil was getting exorbitant returns and we took the decision in 1998 that the people of this country must benefit from lower prices and we not only reduced the tax but we saved five cents per litre when we closed the refinery because of the surcharge we had to put on the product in order to pay for what was an efficient refinery. Sir, prices of gasoline and diesel are where they are today because of the decisions this Government took in relation to energy prices.

We also took an important decision. When the Dems found themselves in the self-induced difficulty of 1991, they put a tax on fuel oil and this Government took the decision that since fuel oil is the main ingredient in the production of electricity we could effect a reduction in electricity bills if taxes were removed on the raw material.

We removed the tax on fuel oil and it translated itself into a reduction in electricity prices. Electricity prices would have been higher if we did not take the decision to reduce the tax on the basic material used in the production of electricity in this country. Sir, we are proud of our record when it comes to energy pricing.

We cannot control the world market price for crude and energy products but we have done a lot in our time to cushion the effects of the price to the Barbadian consumer. We have pledged this to the people of Barbados and we have delivered. We do not know what the war will mean in terms of international prices, but the people of Barbados can be comforted by the fact that at a time when oil prices are high, they are paying less at the pump.

Sir, we are making positive moves to ensure security of supplies because our ability to store gasoline is limited. We are now in the process of getting new storage facilities and erection of the tanks will start in a few months' time. This means that we will be able to import more at any given time and effect savings on transportation and built up a bigger stock in case of any difficulties with the war.

We recognise that this economy will grind to a halt if we do not pay careful attention to the provision of fuels for transportation, electricity and other activities. We have made sure that we make a positive move in that direction.

We are also worried about the fact that our oilfields at Woodbourne are presenting us with special difficulties because there is a difficulty with the geology in terms of oil production. There is oil in our fields but it is difficult to reach it and we have to be continually using new methodology, and technology, and it is costly for us to maintain production. We are trying and in a month or two we will be drilling new wells to allow us to keep production to 1 200 to 1 500 barrels a day. If we achieve that, we would have done well because when we drill we get oil, LPG and natural gas and a lot of our hotels, commercial plants and 13 000 houses are fired by natural gas. It is an important commodity for us and we are in the middle of a programme where we are trying to extend the network so that more Barbadian homes can take advantage of what is a safe, clean fuel.

We started work in Westbury Road, Brandons, Eden Park, Tichbourne, Crane, Salters, Durants and Holders Hill because people must have access to their own fuel.

6.05 p.m.

Monday, March 24, 2003

SENATOR T.E. BARKER: We have started work in Westbury Road and Brandons. This is the constituency in which Senator Mascoll has an interest and we have to make sure that his people are being looked after. We are also doing work in Ealing Park, Tichbourne, the Crane and we have advertised for work to be done in Durants and Holders Hill.

Asides.

SENATOR T.E. BARKER: Sir, our intention is that during the next year, to carry on the commodity to more people across the island. We feel that the people must benefit from what is going on in this country. We are tired of seeing people having to transport heavy gas cylinders in unsafe situations. We do not like to see these cylinders being transported on the mini buses because of the potential risk they carry.

Asides.

SENATOR T.E. BARKER: Sir, we feel that as a state, we have a responsibility to ensure that our people enjoy the benefits of this country. This is a programme we are very enthusiastic about and we commend it to this Chamber and the people of Barbados.

We know that people are going to complain that natural gas is in some areas and not in theirs. However, I can only ask them to be patient. It is our intention that the whole urban corridor will be completed and then we would be moving further inland but it is going to take time. Sir, of necessity, some people will get natural gas before others.

Asides.

SENATOR T.E. BARKER: Sir, we are all in this together and if you do not benefit but your cousin benefits, you have to be thankful for your cousin. Our job is to expand the network as much as possible, but it is going to take time to reach everyone.

Sir, we are seeking to commence another junior programme which will result in the stabilisation of oil production. We are also looking at other alternatives. Natural gas is one of the most environmentally sound fuels. On the other side of the coin, oil is probably the dirtiest in terms of exhaust. We do not believe that there is too much scope at this time, given the present technology, for solar and other energy. They can be expensive and they are still experimental. Twenty years from now, they may be more economically viable but at present, we have to use fossil fuel for a while and that is a fact of life.

While we are still going to be doing some work with our alternative energy, we know that for the foreseeable future we will have to depend almost exclusively on fossil fuels. We should now use the safest one which is natural gas.

It has been proposed by the Trinidad Government to have a pipeline from Trinidad to Barbados and other islands to supply these islands with natural gas. This is something we are keen about because it would solve a lot of problems in relation to our fuel supplies. Mr. President, that is about another five years way and if it happens, we would still use the natural gas we have in Barbados and use the imported one to augment our supplies.

For example, a lot of our electricity generated plant could be retrofitted to use natural gas instead of jet fuel that is currently being used, and the ones that are using fuel oil could be converted to use natural gas. These are things that we are looking at. The possibilities are there and I want the public to be assured that this Government is taking the energy needs of this country very seriously and will ensure

that, not only do we have a reliable source of energy, but we have it at the best available price.

Sir, we are going to be examining all the different avenues to ensure that the people of this country benefit from the resources of this country.

Sir, these Estimates are presented to us at a difficult time but we are assured that this Government has the credentials, expertise and knowledge in order to steer this ship through any difficult waters.

Sir, given the history of the two parties in the last 20 years, who would you want to charter your ship? Would you want, Sir, the tried, tested and proven Barbados Labour Party, under Prime Minister Owen Arthur, or do you want to regress to the mess that was created in 1991, when the guru economist who does not believe in certification, with the tried, tested and failed methods, or do want to keep the ship in the hands of people who have showed what they are made of, and who have carried this country through difficult waters, and have brought us out relatively victorious?

Sir, we cannot afford another "5-4-3 plan". We cannot afford any "bus fare and lunch money economics". We are not going to put our economic future into Senator Mascoll's hands.

Sir, the choice is clear and the Estimates again show that the choice is clear. The Government has delivered and will continue to deliver. I am sure that the people of this country are taking note. They know who have their best interest at heart. All the propaganda about high tax and the hysteria will go to nothing. In the final analysis, this country must survive.

I thank you, Sir.

SENATOR DAME PATRICIA SYMMONDS: Mr. President, the Minister of Finance, the Right Honourable Prime Minister, continues to manage the economy very well. This year's Estimates show wisdom, balance, sincerity and courage. I say courage because he is not going to run the risk of running the country into economic difficulties just to win an election.

Interestingly, like successive Governments, education, next year, will account for the greatest proportion of Government's expenditure. Sir, \$375 million will be spent on education.

Mr. President, the Barbados Labour Party has always placed much emphasis on education. For instance, in 1949, a Barbados Labour Party Government increased the number of Barbados Scholarships to five and these were opened to boys and girls in classics, modern studies,

science and mathematics and one was opened to girls alone to a girl reaching either open scholarship or exhibition standard. This was a genuine attempt at justice in redressing the imbalance in the education of girls. It was also an attempt to meet new social demands for skilled manpower, albeit, in a modest way.

I know that the Honourable Opposition Senators do not like to hear this, but it is the truth that the Barbados Labour Party started free education with the building of St. Leonard's, Princess Margaret School, Parkinson School and West St. Joseph. Mr. President, as one interested in education, as one who in all modesty has contributed a great deal to education. I am never tired of reminding people of that.

6.15 p.m.

Monday, March 24, 2003

SENATOR DAME PATRICIA SYMMONDS: Sir, as one who is interested in education and who, in all honesty, contributed a great deal to education, I am never tired of reminding people of that. I also know that the Barbados Labour Party put the 14-year-olds back to school, after they had been sent out of school by a Democratic Labour Party Government. I know all about that. Then I can speak of a functional competency survey which was done and since 1994, great many changes have occurred in education.

There is a White Paper, entitled, "Each Child Matters," which has been in a way, revolutionary, and the Ministry of Education is making education relevant. I wish to refer specifically now to a few areas. For instance, the HIV/AIDS Awareness Programme, and the plan is to sensitise all teachers, ancillary staff, PTAs to facts and figures of HIV/AIDS. It will be a special four-prong training programme for the teachers who will then deliver the module and the syllabuses to the children.

The Ministries of Health and Education will meet Principals to discuss guidelines on how to handle HIV/AIDS. They will do 10 schools at a time, until March 2005, when all 103 Government schools and private schools will be covered. The money is provided by the World Bank to help with the training. The staff of the Ministry of Education and satellite centres are being sensitised.

I want specially now to mention syllabuses. Sir, for the first time, we have syllabuses which set out topics and the attainment targets for each subject in terms of knowledge, skills and attitudes so that parents should be informed what children should know. Of course, money has been allocated for that too and the curriculum is clear.

Sir, just as important, the schools are now offering an international curriculum. The Ministry looked at syllabuses across the world, so that if children go abroad, they will not be disadvantaged.

Mr. President, for years Barbados has been admired and respected because of our high attainment in literacy and functional competency. Now, we have to aim at the same high achievement in technology education, hence, the use of technology, largely through methodology and video, et cetera.

Technology education is being provided at levels 1 and 2 in secondary schools. We, perhaps, know it better as Lower First and First Forms still and students are learning how technology affects the world of transportation, communication and modified foods, in other words, how it affects our lives.

There is no longer regurgitation, talk and chalk method. Education is just not memorising, although there is room, and I wish to remind Senators and others who may be listening that there are beautiful passages of poetry and prose which should be memorised. They are ensuring that there is critical thinking and problem solving, so that there are major changes in the way teachers teach.

The Ministry of Education has also introduced a system of subject coordinators, who will ensure that subjects are being properly taught. I think this is significant also that in the Common Entrance Examination, as it is generally called, from this year, even if children make a mistake in the final answer, they will be given a mark for the reasoning, prior to the answer.

I wish to repeat this that in the Common Entrance Examination, from this year, even if children were to make a mistake in the final answer, they will be given a mark for the reasoning that leads to the answer. The relevant teachers have been prepared for this.

The Ministry of Education has also brought Mount St. Vincent University to work in collaboration with Erdiston College. Thus teaching, through distance and face to face contact, one will learn via computers. They also do assignments and tutorials and in that way, they will obtain a Masters or Bachelors degree in education in special needs.

Teachers at the Irvin Wilson School are receiving training in teaching the hearing impaired and the visually impaired, and those with speech impairment as well. There are special computers there which help them. There are 80 teachers enrolled in this course, mostly primary, but there are some secondary.

Sir, dyslexia is included in the special needs education. It is hoped that when the course at Mount St. Vincent is finished, the teachers being trained will be able to diagnose and treat dyslexia. I think this is something that needs to be stressed because, presently, parents have clinical psychologists test children and this can be costly. I also understand that about 10 per cent of children are dyslexic, with either mild, moderate or severe symptoms.

The Education Technical Enhancement Programme or EduTech as we know it, has been allocated \$30 million in this year's Estimates with the proviso that if revenue performs better than is projected, the first claim on the resources of the Government must be to allow them to carry on the EduTech project at a level that is warranted by the project, as designed.

Again, I wish to stress what I have said before, and which I know the officials at the Ministry of Education and the Chief Education Officer keep stressing, that EduTech is another tool. It is a 7-year programme, so when there is criticism that it is not going as quickly as it should, it must be remembered that it is to be implemented on a phased basis, in private, public, primary and secondary schools.

There are four components. Repairs and refurbishment of schools, training and retraining of teachers, 3 000 of them, and officers of the Ministry of Education, how to use it in areas where never before it has been used. They are trained to do that with video and camera.

A third component Sir, is to give support and build the capacity of Ministry of Education to manage the programme efficiently and effectively. Then, there is the installation of all kinds of technology and the procurement and installation of hardware and software.

In addition, I wish to mention that there are 14 schools now fully equipped. Combermere, St. James Secondary, Ellersley, Alexandra, Westbury, St. Mary's, Deacon's, Christ Church Boys', South District, Sharon Primary, St. Joseph Primary, St. Gabriel's and the Irvine Wilson.

I wish to say something about the University College of Barbados. Sir, its main purpose is to offer tertiary education that is not being offered by the UWI and also to cut cost. The percentage of Barbadians going on to tertiary level is approximately 28 per cent. It is the highest in the English-speaking Caribbean but it is still not enough.

In North America, it is up by almost 60 per cent and if we do not increase our intake of tertiary level students, we will be at a disadvantage and our students will be qualified only for low level jobs, or we will be just skimming the talents of our people.

6.25 p.m.

Monday, March 24, 2003

SENATOR DAME PATRICIA SYMMONDS: The aim is to have better qualified students trained so that they can work overseas as well and not just at the bottom of the pack. The Barbados Community College is now offering a Bachelor Degree in Fine Arts. This has helped many of our teachers to be trained in arts and craft. They get full pay leave. The Course started in 1996 and to date 89 persons have graduated with a Degree in Fine Arts.

The Barbados Community College has also been doing a B.Ed. in technical vocational education. Again teachers get full pay. Fifty-three persons have graduated since 2000. This has never been done before and it is something for which Government and the Ministry of Education should be highly congratulated. It is also being done to raise the status of those subject areas, the image of the teacher and to encourage more gifted children to pursue these courses in order to make our economy more productive and more viable. Quietly, the Ministry of Education has been bringing about necessary changes and progress and expanding beyond the traditional.

Mr. President, I regret that I have to mention this but I really cannot let it pass. When Senator Mascoll made the statement that qualifications were overrated, I was overwhelmed with astonishment, I was nonplussed, I was dumbfounded. As an educator of many, many years who have started at all levels of the system, including tertiary and university, I could not believe what I was hearing. That statement cannot be made when the Ministry of Education recognises that each child matters and that each child should be given credit for what he or she has achieved at secondary school.

Furthermore, in about two years each secondary school student would have two types of qualifications. There will be the CXC and the National Diploma of Secondary Education which will replace the school leaving certificate which was associated with failure. Again, the Government must be highly praised for recognising the needs of the majority of children in Barbados. This Diploma will show competence of the individual course subject areas like English Literature, Mathematics, Social Studies and Integrated Science.

We tend to see these as subjects, but these provide the basis skills which formed the foundation of all other learning areas. The students must show competence in conversational Spanish and in an extra curricular activity. They have never been given credit for this before, so this too is an innovation.

Mr. President, a great deal of new ground has been broken since 1994, but students' needs are different in what today is a very different world. Education is responding to those needs. Long before September 11 the Government had already recognised the need to reposition the economy and to position the country to participate and compete in the new economy. Positioning the country means positioning the people. It is for this reason that the decision was made to set up a university college of Barbados. Planning for its establishment has been going on over the past year.

I want now to turn to the National Sports Council. The National Sports Council objective is to continue to create opportunities for the development of programmes that will promote and facilitate sports for all Barbadians.

Among the Council's plans are the installation of lights on a number of existing hard courts and playing fields and the construction of pavilions at Boscobel in St. Peter - that will be an extension - Archer's Bay in St. Lucy, Gall Hill in St. John and an extension at Farmer's in St. Thomas.

There are 26 lighted playing fields in Barbados, and no other Government has done as much. Unfortunately, Dover is not one of them. A great many sporting teams from abroad stay in the Gap on the South Coast. Recently, the blind cricketers, Jamaica, the Finnish National Football Team, the American footballers, the United States of America hockey team and the English netball team all stayed there during the past year. St. Lawrence Gap has become the most popular venue for sporting groups because it is central and has all the facilities.

The playing fields and the hard courts at Dover have no lights. These are urgently needed in order to continue to promote the sport in this area. I know that the next representative for that area will see to it that it is brought into line with other lighted playing fields.

The National Sports Council can also be proud of its boxing programme which continues to bring recognition to Barbados. A perfect example of that is Junior Greenidge. He came through the National Sports Council's programme. He was the only one, as we know, to win a medal at the Commonwealth Games in Manchester last year. There is also Shawn "Terry" Cox who won a gold medal at the Pan American Games last year. Both Shawn "Terry" Cox and Junior Greenidge are going to the Bahamas next month to represent Barbados in the Caribbean Amateur Boxing Association Championships. The coach of the team, Mr. Gary Bowen, is the National Sports Council's coach and he is doing a fine job with these young men.

It is interesting to note that the National Sports Council is celebrating its 25th Anniversary next month. I cannot help reminding this August Chamber that it was the Barbados Labour Party which founded the National Sports Council in 1978.

6.35 p.m.

Monday, March 24, 2003

SENATOR DAME PATRICIA SYMMONDS: It assists and gives support to the Barbados Tourism Authority in planning a number of international competitions in Barbados. They also assist with the Sir Garfield Sobers' Schools Cricket Tournament, the Banks' Hockey Festival and provides facilities for a number of playing fields and hard courts which are used for these events.

The National Sports Council also has plans to develop practise pitches at Blemheim. These are very much needed for young cricketers, especially during the football season which is in progress now. Therefore, there is a need for artificial pitches where one could select the best young cricketers now leaving primary schools and put them into a special programme. These pitches are in countries such as Trinidad and Tobago, Grenada and I think here in Barbados at Windwards, Carlton and Wanderers Cricket Grounds. These pitches would come in very useful when we host the World Cup in 2007.

Mr. President, before closing, I wish to say something about the Ministry of Social Transformation. This Ministry will embark on programmes with an allocation of \$70 634 848. Its focus, as is generally known, is the provision for assistance to and the empowerment of individuals, families, communities and socially-disadvantaged groups. Part of the empowerment programme includes the building of partnership in the Ministries and in the civil society, including the private sector, instituting community programmes and meals-on-wheels-programme for the elderly. There is collaboration with similar agencies with similar ideas, such as the Salvation Army and the Barbados Red Cross Society. There is a welfare-to-work programme and a fatherhood-initiative programme. These are two new projects which were introduced in the last financial year.

The Welfare-to-work Programme has been established in an effort to focus on the challenges faced by individuals who receive national assistance monetary grants. The record shows that of the 7 000 persons who are on welfare, 3 900 were children under the age of 16. These children were either not receiving maintenance from their fathers or the support was minimal, or sometimes irregular. Some mothers were unemployed and dependent on monetary or kind benefits from the Welfare Department.

Mr. President, the programme tries to address the challenges that women faced in securing employment and seeks to assist them in changing their lives circumstances and in breaking their dependence upon the public's assistance. That, too, is important.

Sir, during the assessment, the Department has realised that the women's likelihood of working was steadily decreasing because of a number of barriers which included their level of experience, their job skills or lack of them, transportation difficulties, domestic violence and physical health.

To date, 92 women have been involved in the programme, 67 of whom were receiving training. The clients themselves have expressed a wish to be trained in the hospitality industry, so that they have been doing services such as fundamentals of dining room service, introduction to dining service and residential housekeeping.

The age range of persons is under 20 to over 44. In association with the Barbados Community College, 25 women are being trained in textiles, pattern-making, cookery and needlework. Also, in association with the Pinelands Creative Workshop, literacy classes and job placement programmes are also being held. There are currently 40 persons being assessed for training in the new financial year.

Finally, I want to mention a programme with which I have much sympathy and in which I am interested from my experience as a teacher over the years. This is the Adolescent Mothers Development Programme. The Ministry of Social Transformation is enrolling teenage mothers, after having their first child, in a self-development programme using the following as necessary: mentoring, counselling, training, skills training, personal development and parenting skills, including budgeting.

It is a collaborative effort involving the Ministry of Youth Affairs, medical social services, PAREDOS, the Barbados Family Planning Department, the Welfare Department and community health nursing. This is a proactive programme and will assist with poverty eradication.

I want to say here and again in reminding listeners that this Barbados Labour Party Government is the first one to have set aside money for a Poverty Eradication Programme and out of the very few in the Caribbean, we have been the first to do something about poverty eradication.

Mr. President, with these few words, I wish to say that I fully support the Bill. I know that Barbadians, with their high standard of education and good sense, will know when they have a great leader and how to work when it is

time to show their appreciation for all that this Government is doing, has done and will continue to do. I thank you, Mr. President.

SUSPENSION

SENATOR the Hon. J. X. WALCOTT: Mr. President, I beg to move that this Sitting be suspended until 10:00 a.m. tomorrow. I wish to remind all Honourable Senators that it is a suspension and, therefore, we will start promptly at 10:00 a.m.

The question that the Honourable Senate be suspended until Tuesday 25th March, 2003, at 10.00 a.m. was put to the Senate and agreed to and Mr. PRESIDENT suspended the Senate accordingly.

6.45 p.m.

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2. Report of the Social Investment Fund for the Quarter ended December 31, 2002.
3. Barbados Estimates of Revenue and Expenditure 2003-2004.
4. Schedules of Personal Emoluments 2003-2004.
5. Annual Report and Financial Statement of the National Conservation Commission for the period 1st April, 2000 to 31st March, 2001.
6. Annual Report of the National Sports Council for the period 1st April, 2001 to 31st March, 2002.
7. Annual Report of the National Cultural Foundation for the year 2000.
8. University of the West Indies (Guarantee of Bonds) Order, 2003.
9. Report of the Judicial Council, 2002.
10. Annual Report and Financial Statement of C.L. Limited for the Fiscal Year January 1 to December 31, 2001.
11. Annual Report and Financial Statement of Hotel Resort Limited for the Fiscal Year January 1 to December 31st, 2000.

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SPEAKERS IN THIS ISSUE

BARKER, Senator T.E.

COLLYMORE, Senator B. R.

GODDARD, Senator SIR JOHN STANLEY

MASCOLL, Senator C.A.

McCLEAN, Senator LeR. H.

MURRAY, Senator the Hon. G. S. H.

SYMMONDS, Senator DAME PATRICIA

WALCOTT, Senator the Hon. J. X.

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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. Order No. 4, Senator C. A. Mascoll, take-slip about 2.45 p.m.. The sentence on the withdrawal of \$113.2 million from the Consolidated Fund without the approval of Parliament is typed twice, either side of the take-slip '2.45 p.m.'. The fuller second version is printed and the first (about 35 words) has been left out. Please confirm.

Q3. Order No. 4, after the Leader's opening speech. Immediately after Senator the Hon. J. X. Walcott moves that the Bill be read a second time, the source has 'The question was put to the Senate and agreed to.', although the second-reading debate continues for the rest of the day. Printed as in the source.

Q4. Order No. 4, Senator the Hon. J. X. Walcott, Housing and community amenities. The Leader says the allocation 'was at \$44.5 million in 2001-2002. Last year this was increased to \$3.8 million and in the coming year it is projected to reach \$63 million'; the middle figure cannot be an increase. Printed as in the source.

Q5. Take-slip, during the Leader's speech. One take-slip is dated 'Wednesday, March 24, 2003'; the Sitting was on Monday, 24th March, as the other slips show. Printed as in the source.

Q6. Order No. 4, Senator Sir John Stanley Goddard. The Senator gives the education allocation as '\$409 million represents \$17.5 per cent of total expenditure'. Printed as in the source.

Q7. Throughout. The source, apparently converted from scanned typescript, often has the letter 'l' for the figure 1 (for example '2:l0 p.m.', '\$l30 million', 'l986', 'l0:00 a.m.') and '©' for '(C)' in the Bridgetown Bypass sections. Printed as in the source.

Q8. Order No. 4, Senator T. E. Barker. A point of order is raised by 'SENATOR LeR. H. McCLEAN', who is not in the PRESENT list for this Sitting. Printed as in the source.

Q9. End of the report. The record ends with the Senate suspended until 10.00 a.m. on Tuesday, 25th March,

2003, with the debate on the Appropriation Bill, 2003 still in progress. Please confirm.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The Senate met in the Senate Chamber, Parliament Buildings, on Monday, 24th March, 2003 at 11.15 a.m., with the President, His Honour Senator Sir Fred Gollop, in the Chair; prayers were led by Father Errington Massiah. The Leader of the Senate, Senator the Hon. J. X. Walcott, laid eleven papers, among them the Barbados Estimates of Revenue and Expenditure 2003-2004, the Schedules of Personal Emoluments 2003-2004, the University of the West Indies (Guarantee of Bonds) Order, 2003 and the Report of the Judicial Council, 2002. Standing Order 45(2) was suspended and the Appropriation Bill, 2003 was read a first time.

Senator Walcott opened the second-reading debate, saying the Bill came during the war on Iraq, the threatened withholding of aid by the United States, recovery from recession and a wave of strikes under the National Union of Public Workers. The programme presumed revenue of \$1 780.4 million, current expenditure of \$1 762.7 million and capital expenditure and lending of \$270.9 million, a fall of \$55.9 million; wages and salaries would fall by \$41 million to \$582.6 million, and unemployment had been kept below 10 per cent. Speaking as Minister of Health, he defended the proposed board for the Queen Elizabeth Hospital against the union's objections, listed new equipment and repairs, and dealt with the Barbados Drug Service, the Ladymeade Reference Unit for HIV/AIDS and the Greenland solid waste project. He noted that \$34.6 million would go to highways and that Barbados stood to lose as much as \$170 million in duties under free trade negotiations.

After the suspension, the Deputy President, His Honour Senator C. L. Bolden, took the Chair. Senator C. A. Mascoll argued that the Government, pressed by the International Monetary Fund, was cutting capital spending, that Barbadians were overtaxed, and that the Prime Minister had withdrawn \$113 292 127 from the Consolidated Fund without Parliament's approval, \$28 million having gone into GEMS. He questioned the \$77 million equity needed for the Hilton Hotel and the 25 new cars bought or leased, and outlined the Democratic Labour Party's plan to bring the tax take down to 35 cents in the dollar. Senators T. E. Barker and the Hon. G. S. H. Murray rose repeatedly on points of order; the Deputy President required him to withdraw a remark that the Prime Minister used the privilege of Parliament to attack people, which he

did, and warned Senators that the debate was moving ‘out under the street lights’.

After a further short suspension, Senator Sir John Stanley Goddard supported the aim of reducing the fiscal deficit to 2.5 per cent, asked whether enough attention was paid to productivity and education, discussed the St. Joseph Hospital and Hotels and Resorts Limited, read from the Auditor General’s Report on late financial statements and deficient inventory management, and spoke on the war in Iraq.

Senator Barker supported the Bill, saying that in the recent recession unemployment had risen only from about 9.7 per cent to 10.6 per cent, and recalled the removal of duties on agriculture and manufacturing in 1994 and the extension of natural gas to districts such as Westbury Road and Brandons; Senator B. R. Collymore corrected him on the date of Mr. Barrow’s death. Senator Dame Patricia Symmonds spoke on education reform, the training of 3 000 teachers, the National Sports Council and the Welfare-to-Work and Poverty Eradication Programmes. At 6.45 p.m. the Senate was suspended until 10.00 a.m. on Tuesday, 25th March, 2003.