

**BUDGET REPLY BY THE**  
**HON. MIA AMOR MOTTLEY Q.C., M.P.,**  
**LEADER OF THE OPPOSITION**  
**TUESDAY MAY 19<sup>TH</sup> 2009**

Mr. Speaker, Sir, yesterday's Budget would come to be remembered more for what it failed to do than what it did. This has been another miss-opportunity, another wasted moment. Never before has so much been needed and so little delivered.

When faced by what the Prime Minister himself called the worse crisis in 80 years, and having identified the challenges facing the country, the Prime Minister failed to take action. Clear and simple, he failed at his task. We are not yet, Sir, in the midst of a crisis, but his failure to act will push us into one.

I am truly concerned, Sir, that he is uncertain as to what he must do, and this will not inspire the necessary-confidence that he is in charge of charting this country's destiny. He described it, Sir, as a Budget for the times, but I fear that he also made it clear that he was not the leader for the times.

In spite of partisan differences, we on this side were hoping against hope that he would put Barbados first in the decisions he made.

Instead, he has chosen the political survival of his Government knowing full well that the risk that he is taking for the country, by not acting now, would be a major adjustment beyond even that of 1991.

We, Sir, are in the midst of a private sector-led recession, a worsening fiscal situation, rapidly deteriorating foreign reserves, and what measures did he proposed yesterday to take us out of it, virtually none, Sir.

His response has been woefully inadequate and without direction. Indeed, it was lacking in the laissez focus that the Chairman of his Economic Advisory Council said last night on television was critical at this juncture. His, Sir, was a pet talk designed to create the impression that he understands and he is in control.

There was no Budget, Sir. As you move around today people asked where was the Budget. There were no costings to the concessions or to the revenues being raised. There was even no specificity as to the water rates that are to be imposed as increases.

Mark my word, Sir, the inevitable outcome of this Budget, as in 1991, is that he would be forced to come back to this House before the expiration of this financial year to announce higher taxes and deeper spending cuts.

This Budget will do very little, if anything, to stabilise Barbadian companies and Barbadian jobs or to stem the slide in our foreign reserves and indeed to protect our investment grade status.

Sir, history is repeating itself. Regrettably, the ghost of 1991 haunts these Chambers and no doubt it haunts the Prime Minister as well. We want to know how in that context he can continue to repeat the blunders.

What we saw yesterday, Sir, was a Prime Minister attempting to correct his major blunder of a year ago.

The full extent of the adjustment that we faced today has not been occasioned solely as a result of the international economic recession as the Minister would have you believe, but it is in large measure by the unprecedented, unnecessary and unwise tax grab of over \$104 million last year. These were the wrong measures at the wrong time; dispersed higher prices, less money in people's pocket, less spending and ultimately the job losses that we have been seeing. They compounded the impact of high global fuel and commodity prices that Barbadians were facing. Sir, the evidence is there for all to see.

We charge today, Mr. Speaker, that the Prime Minister and Minister of Finance made the crisis worse with his first Budget and while he has tried in this Budget to right some of the wrongs, he has still failed to address the most fundamental problems that we face today, a problem he now admits but denied in this very Chamber in March in relation to the rapidly diminishing foreign reserves when the Honourable Member for St. Peter and myself spoke to it.

The memories of 1991 are truly uncanny. Failure to act decisively and early in that situation led to a bitter and prolonged medicine for the workers of Barbados, the likes of which they had never seen since the independence of this country in 1966.

We all remember what it was like, Sir, when parents had to decide which of their children they would send to school, when people could no longer afford to pay their mortgages and lost their homes, when no one in a household of four or five adults was working and when the crime rate for robbery and burglary skyrocketed. These, Sir, unfortunately, are once again the very real possibilities of Barbadians. Even the language used by the Prime Minister yesterday had the echoes of 1991, to cut and to contrive, echoes of Prime Minister Sandiford.

Mr. Speaker, believe you me, we understand that Barbados is truly facing extraordinary difficulties and it is not easy. Some of these difficulties are due to the international economic recession but we spoke to Barbadians at the end of 2007 and the then Opposition, now Government, chose to ignore that this was going to be a rough time and committed themselves to ill-advised policies some of which they later retracted leading to an undermining of confidence, a delay in getting the right policies in place and letting time reduce what policy options are available to them today.

Sir, I truly regret that that failure on their part yesterday leaves us more exposed to the elements, and I would go through today and show how.

Let us first recall how the Prime Minister responded last year. He increased energy prices on April 15, 2008, taking diesel alone and increasing it by 77 percent. He partially reversed himself thereafter. This was the first impression that the Prime Minister gave that he really had no game strategy; he had not thought it through.

What he did is that he made our ability to respond to a difficult international economic situation worse. He made it more difficult for Barbadian companies and for the Barbadian household. In his first Budget in July of last year, he extracted \$104 million even though there were already signs that the economy was facing stagnation and that the private sector was going into recession. He made the ability of the private sector to respond to a difficult international economic situation worse at a time when they needed an ease.

He did it, Sir, with the persons earning middle income salaries in this country too, who needed an ease.

Sir, when we urged the Prime Minister last October that he should raise a Stabilisation Bond domestically, or that he should undertake precautionary foreign borrowing to act as a buffer to the then already clear reduced tourism receipts and export earnings and indeed the reduced private capital inflows, he said that there was no need for it and that we were needlessly worrying the nation and today, eight months later, he is struggling both to finance the deficit and to prop up this country's foreign reserves. Mr. Speaker, it is as if the Prime Minister is flapping around directionless, in ever decreasing circles.

During the Estimates debates in March this year, we warned the Prime Minister that the foreign exchange position was deteriorating at a markedly rapid rate.

The reductions in private capital inflow dropped by an astronomical \$1 billion last year, (not millions) from \$1.5 to \$495 million. Sir, the Prime Minister denied the problem then, today he admits the problem but does nothing meaningful about it yesterday.

Mr. Speaker, the failure to earn foreign exchange and to boost the private inflows of money of capita from outside will, for the first time since 1991, put the fixed exchange rate of Barbados at peril; that is why Moody and Standard and Poor's have referred to the exchange rate in each of their outlooks.

Mr. Speaker, the fixed exchanged rate is not simply a political Holy Grail for Barbadians; it is one of the key foundations of how we defend our way of life and the confidence which we have, which is really our greatest resource as a nation. It provides certainty and stability for both Barbadians and Barbadian investors. Mr. Speaker, we understand that the challenges are great, and let there be no mistake that although the going might have been tough, it did not need to be rough as well.

Mr. Speaker, this Government now seeks to act through off-budget expenditure, almost two years after the signs of the recession started and a definite nine months after Lehman Brothers collapsed when the international credit crisis became worse.

Sir, I can think of no macroeconomic theory that would deem it feasible to fix a structural problem a full year and a half after it has been allowed to act, and a full nine months after it hit crisis level on the international scene. And what is worst - I do not even believe that the self-annointed "Kellmanomics" would accept that is a proper prescription. Mr. Speaker, in a small economy, timing just like cricket, is of the essence. If you cannot time the shot properly, if you cannot time the options that you have to exercise and take the decisions appropriately, you would suffer, especially in a small economy where there is not a buffer to protect you.

Sir, therefore, faced with a challenge of foreign exchange problems, what does the Prime Minister tell us yesterday? The Prime Minister tells us that Team Barbados is being swung into action, and we agree that there has to be a national effort, but we need to remind the Prime Minister that Team Barbados is not going to automatically resolve the issues, because the former Minister of Foreign Affairs would be the first to admit that the Country Team, which is Team Barbados, suffers chronically from territoriality, as he admitted yesterday. So that you know that its capacity to respond is not going to help you in the midst of a crisis or on the eve of crisis.

Mr. Speaker, let me be clear. What compounds the situation over 1991 are two factors. We have a private sector led recession in Barbados today. We did not have that in 1991. Sir, the second element that is particularly worrisome is that Barbadians are more leveraged today than they were in 1991. They 'owe away' far more money today than they did in

1991.

Mr. Speaker, let me take them one by one. Barbadian companies are by their very nature under-capitalised traditionally. It means that they do not have much elbow room to carry themselves if the cost rise and the sales fall. The bank is their lifeline, and that carries them into a vicious spiral, given the high interest cost of overdraft facilities. The hole starts to get deeper and they need assistance to get out of it.

Equally, in today's Barbados, a far greater percentage of the population is more vulnerable to the threat of reduced spending power. You only have to look around and see the number of households who are paying mortgages, one or two car loans. Mortgages in 1991 stood at about \$34 million; mortgages today stand at \$1.8 billion. You only have to see how many Barbadians have car loans. Sir, the impact of an increase in water rates and possibly electricity rates will hurt them in a way that they will feel. But there is another factor to their debt. Sir, there are a number of Barbadians who have accumulated credit card debts. This is a relatively new credit facility that was not common in 1991, so that people do not talk about it, it is really the hidden debt burden. Bajans do not talk about it, they talk about their mortgages, about the car loans but they do not talk about their credit card debt, but months after months they have to pay them. Sir, we could only know that in this environment, that the banks will not be as aggressive in their collection policies against defaulters who may otherwise be facing social distress.

Mr. Speaker, we have a problem that differs from 1991, we also at this juncture, we also have healthier foreign reserves than we did in 1991, thanks to the almost \$2.5 billion in foreign reserves that the Barbados Labour Party left when we left office in foreign reserves, but that will not Sir, at the rate at which it is depleting, that will not carry us for more than another 12 to 18 months. Sir, last year, 2008, we went from 13 weeks of import cover to 20 weeks of import cover. We lost one-third of our import cover in 12 months, and we better now begin to understand the dire nature of the problem that this country faces today.

Mr. Speaker, the Prime Minister cannot rely on the earnings from tourism to lift us out of this crisis, he cannot. The tourism people have indicated that the forward bookings for May, June, August, September, October, you will get a little lift in July, but they are all significantly down. We cannot rely on the flow of international capital because we have already seen that it dropped off by more than two-thirds, down to a low of \$495 million last year. And we have no doubt that in the first quarter it is continuing to drop. We cannot rely on International Business because last year's corporation tax receipt shows that sector has taken a major hit. Sir, that sector is responsible for 66 percent of our corporation taxes.

We, Sir, have to take stock. Sir, this Government, as a matter of urgency, must review new programmes and seek to put them on hold, not because they may not be desirable but simply because we are in a difficult situation.

Sir, when we have \$6 million to spend on Constituency Councils, that was not spent last year, in the interest of Barbados, it can wait. When you have three new Embassies to open, in Cuba, Brazil and China, however desirable they are, and they are, because it was the Barbados Labour Party Government that took a Cabinet decision to open those embassies, they can be put on hold for now.

Sir, it is as if the Prime Minister has finally woken up to the challenges but he is leaving the country in the midst of the nightmare. Mr. Speaker, we charge today that this Prime Minister stands accused of incompetence and, indeed, of putting Party before country over the last 16 months. Sir, his words for unity yesterday does not change that fact. The extended entreaty from one who is perhaps the most partisan politician of his generation really causes me great concern more than anything else that he said yesterday. It tells me that the situation is far worse than it really is. Sir, against this background, however, we will continue to respond in the interest of the country because the stakes are too high. We have made suggestion from offering to help with the fishing negotiations with Trinidad, making Sir Henry available, and we were told that it was not wanted. We offered suggestions in the Estimates last year for a middle class tax cut, for the increase of the reverse tax credit and, Sir, only the reverse tax credit was taken but not in the format that we offered the suggestion.

We offered the suggestion for the Stabilisation Bond. We offered the suggestion in relation to not imposing additional taxation at a time when the economy was facing stagnation but those were not taken. I am happy today to have heard the Prime Minister yesterday say that he is prepared now to take suggestions. Sir, I want to suggest that those suggestions are most appropriately given through the establishment of a Standing Committee of this Parliament on Finance and Economic Affairs that would allow us to appropriately and properly respect the structures of Government, while giving of our best, so as to ensure Barbadians can come out of this with their heads held high.

Mr. Speaker, I also believe, like in other Caribbean countries there ought to be periodic briefings between the Prime Minister and the Leader of the Opposition. If we do not have the facts, we are not in a position to be able to respond appropriately. Sir, we will not play politics with matters of national vital concern. Let me say that it is against that background that we were dissatisfied that for the preparation of this Budget yesterday, we only received the Economic and Social Report for 2008 yesterday evening when the Budget started. A report that is vital in the provision of information for any speeches that would take place in this Budget debate and, Sir, that is what I mean, we are not standing on ceremony but if you want us to help, then you need to share the information with us.

Mr. Speaker, once that information is shared, we will step up to the plate. Sir, let me say for the records that cooperation is not a one way street. Sir, we will put the interest of the people of Barbados first but we will not baby-sit the Minister of Finance. We will help you but we will not excuse you. I do not mean you, Mr. Speaker, Sir, I mean the Honourable Member for St. John.

Mr. Speaker, make no mistake, we are here today because of the actions of the Minister of Finance in 2008 in addition to any international economic recession. Sir, the buck stops with him. In this economy, he cannot sidestep it and pass the blame to the Minister of State to be the scapegoat. The bold reality is that in Barbados, in a small economy you cannot sublet the economic leadership of a country as he is trying to do. Sir, we take no pleasure in making these charges because the Prime Minister and the Government may be guilty but it is the people of Barbados who will bear the burden and businesses who will pay the price for his incompetence and his commitment to party supremacy.

Mr. Speaker, as I speak to these initiatives this evening, I do so with a heavy heart and a genuine fear for the well-being of our people. I must say that there is a numbness blanketing Barbados today and thousands of people are beginning to wonder what could possibly have gone so wrong in 16 months. If there is one word that reflects the national mood, it is betrayal. Sir, a party that led Barbadians to believe that it had the answers and that it was ready to lead them.

Sir, what it did was to lead them into a gully and the gully is now 'well and truly out' as Bajans. We are now exposed to a horrid decline in our standard of live, people have less money in their pockets; people are 'scotching' and people are crying out. Sir, as I have said, it bears repeating. I did not come to public life because I wanted to make a contribution simply to the Economy, Law or International Relations. I came to public life because I believe - I feel so more acutely than I ever felt it - that ordinary Barbadians have a right to succeed and that they must be given every opportunity so to do but we must always remember too, Sir, that there is no guarantee of economic prosperity. Sir, there is no inherent right to economic prosperity. Sir, we need to guide it and we need to make sure that we protect our people in so doing.

Mr. Speaker, what we talk about in here are merely the tools to achieve that prosperity, to make Barbados a safe place to live, to hope that everyone has the opportunity to make their individual dreams come true. Sir, whether that is done by taking a family out of poverty; whether that is done by sending a child to university; whether that is done by becoming a policeman, teacher or starting up your own small business, Sir, that is what we are in here to guarantee.

Mr. Speaker, I feel that my responsibility as a politician and as a Leader is to provide the opportunity to make dreams come true. I fear that what the Prime Minister did yesterday would defer many a dream in this country.

Mr. Speaker, the great philosopher Edmund Burke once delivered himself of these words that nothing turns out to be so oppressive and unjust as a feeble Government. If ever there was a feeble Government governing Barbados, it is the one that occupies the seat in the Chamber today. Sir, a feeble Government will put the gains of the last 15 years that people made at risk. Sir, that is what it would do. The houses that they have bought, the cars that they drive, the ability to enjoy the things they do today, which they already had to cut back on and what is more, that when you start to lose jobs and you start to get the social consequences that flow from the lost of jobs then, Sir, you have an uphill task because what you have is social dislocation.

Mr. Speaker, this country's greatest virtues are the confidence as well as the social cohesion that we have, that is what makes people comfortable and want to come to Barbados and invest. Sir, that is what makes Bajans able to continue to believe that each generation would be better for their children. Mr. Speaker, we do not want to go back to the days of 1991. Sir, that is where the Government is carrying us and we do not want to go there. Sir, we are not yet there and if I were to find an appropriate analogy, we are in 1990 with 1991 circumstances facing us.

Mr. Speaker, you only have to look at the indices from last year to see that this economy is on a complete downward spiral.

I will go into detail later but, Mr. Speaker, would you believe that the cost of living last year was 8 percent, double the 4 percent that it was when the Democratic Labour Party told the country that the cost of living was too high and too burdensome. Sir, would you believe that it doubled last year?

Sir, would you believe that not only did it double but the price of food increased by 16 per cent in this country? No wonder the people are crying out.

Sir, unemployment increased by 1 percentage point. That is effectively a 14 percent increase in unemployment. What is striking, on May 19, 2009, today, neither the Central Bank, the Prime Minister nor the Statistical Services Department can tell the public of Barbados what is the exact unemployment figure for the first quarter, only that it has edged up over what it was last year. This is a country that prides itself on openness and the availability of information.

Sir, the national debt, and I will come to that later too, up by \$900 million in 14 months, and not a thing to show for it.

International Reserves, and this was the point that we made in March, that the international reserves dropped by \$446 million. Sir, what is worse, from December to December that there was an astonishing drop from March 2008, from \$2.7 billion to \$1.9 billion in January 2009, a drop of over \$700 million in nine consecutive months, and you are tell me that what the Prime Minister brought yesterday was appropriate to stabilise this country? Sir, he must not prey on the financial innocence of the majority of Barbadians

who may not understand the intricacies of managing an economy, although that might be unfair for me to say because it is clear that he too does not understand it.

Sir, the external current account deficit last year increased by an amazing \$413 million. It went from \$353 million to \$767 million, an increase of over \$413 million in one year. Sir, yes, we had high oil prices but more important we had the reduced capital inflows.

Sir, the Capital and Financial Accounts dropped by more than half, dropped by over \$423 million. Sir, I have already spoken to the private capital inflows. Sir, do you know what is amazing? All of this was happening when the economy was still growing by 0.7 per cent. So you can imagine that now that the Prime Minister is predicting that economy will decline by 2 to 2 ½ percent, what would happen in all of these indices this year?

Sir, last year I introduced a framework called the 'Misery Index' and I wish to update it at this point. The 'Misery Index' is simply the combination of the inflation rate as well as the unemployment rate. It is referred to as a 'Misery Index', first by President Ronald Reagan when he was in the run up to the elections, to be able to measure the two most graphic things that the average household feels, prices and jobs. The higher the index, the greater the misery.

Mr. Speaker, would you believe, and I make this now a document of the House, that the 'Misery Index' for 2007, when we were last in Office, was 11.43. Would you believe that the 'Misery Index' increased by almost 50 per cent and is now 16.21, under a Democratic Labour Party Government in this country? A Government that promised to ease prices, make it number one, number two and number three priority. They did not remember about jobs until about three months ago, and they realised now why the Barbados Labour Party made job number one, jobs. Now that their priorities, 4, 5 and 6 are now jobs. That is where we have come to under this Government.

Sir, I want the Honourable Member for St. John to answer a few questions. I want the Honourable Member to me and the Honourable House that his actions today are sufficient to avert the job cuts, the sending home of people that we saw in 1991. I want that assurance from him in this debate. I want the Honourable Member to tell me that if there are not, what is he going to do about it? I want the Honourable Member for St. John to tell me that we are wrong on this side to be fearful of our balance of payment situation and that his actions whether yesterday or before would stabilise the balance of payment situation to ensure that we do not run into difficulty and that the exchange rate is put at risk. I want him to tell us that we are wrong.

Sir, I want him to tell us whether he thinks he is doing enough to stop unemployment from going back into double digits and going over 10 per cent by the end of this year, and if he has not done it, why not, and what will he do.

Sir, this brings into sharp focus the ability of Barbadians, Barbadian companies and Barbadian households, to be able to cope in this environment, a good old-time word, to be able to cope.

That is what you used to hear a lot of when you were coming up, "I do not know how we are going to cope. We do not know how we are going to get through". Sir, maybe over the last 10 or 15 years people had less cause to utter those words, but they have it again.

Sir, I want the Honourable Member for St. John to tell those same people that they will not be made to pay a 50, 60 or 70 percent increase in water rates at a time when they will also have to pay the possibility of increased electricity rates. Sir, this is from a Government that said that they would remove the VAT from electricity. I want him to assure that them that they are wrong in feeling that sense of betrayal, that they had confidence that this Government would have done so much for them, and now they find themselves trying hard to just cope. The betrayal is acute.

Sir, look at the cost. I only have to take 3 or 4 commodities to drive it home. When the Barbados Labour Party was being accused of rinsing people out with prices, a bag of rice was \$4.05.

If you go the Honourable Member for St. Lucy's shop, I am sure you will not be able to buy it today for less than \$8.62 that the other supermarkets are selling it at, rice from \$4.05 to \$8.62. Sir, a bottle of cooking oil...

Sir, the Honourable Members on the other side can laugh because when that mother goes to buy a bottle of cooking oil this evening she cannot carry the \$6.10 that she carried in December 2007, she has to carry \$8.89. Sir, she cannot carry the \$5.74 to buy a 500 gram block of cheese, she has to carry \$10.25 or leave it out. Sir, if she makes the mistake of sending her child to the shop to buy a tin of mackerel to add to the Cou Cou that she makes, she cannot give them a \$2 bill like she used to give them, she has to give them \$5 bill and she knows that they cannot bring back nothing more than small change. That is what this country has been reduced to under this Government.

Sir, I say that the Prime Minister must truly appreciate, and this is a serious issue, that any increase in water rates cannot be to compensate the Barbados Water Authority for structural inefficiencies, which we all know they have. So to simply read out the expenses of the Barbados Water Authority and say that rates must go up to compensate that, is going to be to put a burden on Barbadian households and Barbadian consumers to compensate for the Barbados Water Authority's failure to deal with its structural inefficiencies, whatever the reason.

Sir, let me say this. That is one of the reasons why we were preparing it to go to the Fair Trading Commission because we knew that any analysis for increase in rates would first require them to take out their inefficiencies before they could put rates on the backs of people. When you increase water and light bills in this country, you are affecting every household, you are affecting every individual, you are affecting every company.

Therefore, the impact of those increases will be like the impact of the increases on diesel prices in this country. We know what happened with that last year, Mr. Speaker.

Sir, when I say that there are many households which are still struggling to cope, believe you me, and the Prime Minister's assurance that the Welfare Department will help those at the bottom, does not help the people who are what I call, the working poor. They do not help, Sir, persons whose income is lower middle income or middle income. Sir, let me tell you whom I am talking about. They do not help the policemen, they do not help the teachers, they do not help the nurses, they do not help the clerical and administrative officers in Government, they do not help the Hansard reporters, they do not help the journalists, they do not help the laboratory technicians, they do not help the PSV operators, they do not help the small business owners. They cannot go to Welfare and get help to pay their water bill or light bill. Mr. Speaker, they are the ones feeling the cringe and the squeeze.

Sir, do you know what is amazing, this Government has not addressed their needs at all since coming to office in January. Those people in the middle have not gotten any ease from this Government and worse than that, Sir, they are the ones who have to pay the increased Land Taxes too, that he failed to deal with again yesterday.

Sir, what is even worse than all of that, is that those were the people to whom this Government made their greatest promises. Those were the people to get the interest free home loans, interest free mortgages, those were the people to get the duty-free cars, those were the people, Sir, whom were promised the most and have received nothing.

I ask you today, Sir, what manner of Government could this be that they should put the writing off of \$19 million to the Barbados Turf Club and \$20 million in bail outs for Clico and British American before the interest of these hard-working groups of Barbadians which I just referred to? I ask you again, Sir, what manner of Government would come here yesterday and help the automobile dealers and leave out the public service vehicle operators who are still crying out for an ease? They employ people too. What manner of Government, Sir, would come here and help the games and sports fishermen and leave out the real fishermen? They earn foreign exchange too, when they export the fish.

I can say, Sir, it will have to be a Government of vested interest. I believe, Sir, that their ears only hear the restling of notes and not the clanging of coins. The clanging of coins are too jarring. Their ears only hear the whispers, but they do not hear the cries across the newspapers.

Then, Sir, this is the small business sector also that we have to deal with, those thousands of entrepreneurs. Sir, more than eleven million registered small businesses in Barbados were promised by this Government, \$40 percent of the Government's contracts. We do not expect them to get to 40 percent in a year, but we expect them to, at least, significantly increase. What do we have instead? Contractors crying out that all of the housing initiatives are going to the large companies that do the preconstruction, and that the smaller contractors in this country cannot get anything from the Government, so we do not expect 40 percent but we expect equity, we expect a chance.

Sir, let me be fair. While we appreciate the Prime Minister's efforts yesterday with the setting up of a \$15 million fund, the truth is that you are only putting the people to face more bureaucracy, because when they have to go to the commercial banks, they have to fill out forms. The banks have to be assured that they are not taking an unusual risk and it is going to be a lengthy process.

And bear with me, we understand that there are problems sometimes in getting Governments to act promptly but the truth is that if it matters enough, if it is affecting people, then greater must be done to make it happen, and do not send them to face more bureaucracy.

Sir, let me say that the notion of a factoring programme is not a bad one, but the real benefit of a factoring programme, in this economy where private companies are having cash flow difficulties is, in fact, in factoring the debts owned by other private sector companies. They are the ones who equally are having difficulties in paying other small businesses. Therefore, if this is to have true impact, then we say to the Prime Minister that it needs to be broadened to be able to reach also the transactions between small businesses and other private sector companies.

Sir, there is another group of small business persons, who are not the truckers, the contractors, the landscapers or the cleaning businesses who will get the contracts from Government. There is another group of small businesses I am talking about the vendors, hairdressers, nail technicians, tailors, shopkeepers, bodywork men, mechanics and the caterers who move around in their van from construction site to site selling food. They are the ones in this country who are smelling hell because they are the ones who will first lose their businesses when things get tight for the customers. Sir, the customer will make food at home, rather than buy from them on a site. The customer will cut out the manicure cut out the pedicure. The customer will cut out the hairdo every two or three week or reduce it to once a month.

Sir, they are the ones that are smelling hell and they are discovering that the Government is not easing them and that all the Government in fact, is doing is teasing them.

Sir, they are not going to get the Reverse Tax Credit, because their income is above it. They are not going to get the NIS employment loans that we spoke about yesterday, because they are only one thousand six hundred self-employed persons registered with the National Insurance in Barbados.

Sir, there is then the mainstream corporate sector. The Central Bank statistics showed last year that the savings of business firms dropped in this country by \$130 million. Do you know what that is, Sir, a whopping \$130 million. What does it mean? It means that businesses in Barbados are living out of their savings or living off overdraft facilities. They too are scotching and, Sir, it is not sustainable.

Sir, if you want further proof of it, about three weeks ago a major public company in this country published its accounts in the newspapers. Its cash reserves were at \$50 million in 2007, by the end of 2008 it had dropped to \$24 million. Sir, if in 2009 it has the same rate of a drop, they will have no cash reserves at the end of 2009, and that is a large company. That is how dire the situation is that faces Barbadians today. Sir, we have seen the evidence of it.

They are already asking people to take shorter work weeks, to take salary or wage reductions, and they are trying their best to keep their heads above water.

One man even said to me, Sir, why is it that every time the Democratic Labour Party is in office, you get wage cuts. Last time it was the public service, but this time it is the private sector. Why is it that DLP equal wage cuts? Sir, that's what they want to know if it is part of the DLP brand.

Sir, these are the people whom the Prime Minister ought to have been helping yesterday to keep their heads above water, because once he helps them to keep their heads above water, they would be in a position to lead the growth again when things start to pick up. Sir, what was his solution yesterday was to suggest that they could get a loan from the National Insurance Scheme for the employers' contributions that they would have to pay back over five years at three per cent.

Sir, let us talk through it because it flatters to deceive. Sir, I think that it could have merit, but it cannot have merit being done under the structure of the National Insurance Scheme because they are constrained by the limit of the employers' contribution. The employers contribution is about 11.25 per cent, so it means that you can only borrow up to 11.25 percent of your payroll. If your cash flow difficulties are greater than 11 percent of your payroll cost, and we did the numbers, it works out to be equivalent of 10 percent of your staff.

If you need more money than the equivalent of 10 percent of your staff, this programme is not for you.

If you employ 50 people at \$2,000 a month, your wages bill is \$100,000, which means that you can only borrow \$11,000 a month from the National Insurance Scheme.

Mr. Speaker, \$11,000 is equivalent of five employees out of 50, so if you need to cut cost beyond the wages bill of five people, 10 percent of your workforce, this does not help. I think that if the Prime Minister is serious, he ought to remove this from the National Insurance Scheme, appropriately fund it and make available cheap interest rates, three percent is acceptable, to the corporate sector in this country to help them beyond simply what is their wage bill and what is 11 percent of their wage bill.

Sir, I make this suggestion with all sincerity because none of us wants to see Barbadian businesses shut down. The other danger of leaving it in the National Insurance Scheme is that we went to great expense to get the Scheme on a proper footing so that when all of the members and all of the Bajans outside reach 65 and 67, they would have the assurance that money would be there.

We feel that you cannot tinker with the National Insurance Scheme without doing an appropriate actuarial review.

We did not say anything last year when he sought to fund the pensions out of that because we felt okay, we could probably accommodate it, but if you continue coming back to the National Insurance Board Scheme to fund your off-budget expenditure, you are going to put the National Insurance Scheme at risk and in peril in this country. We spent too much money and did too much work to fix it for it now to be put at risk.

I believe that the Prime Minister can appropriately raise a bond that he can then unlend. He can absorb the interest cost and unlend to Barbadian businesses at the same three percent, do not cap it at 11 percent of their wages cost, and help them get through this difficult period.

Sir, what bothers me is that when you also take the surplus from the Unemployment Benefit Fund at a time when unemployment is predicted to rise, what you are going to leave there for the other people if unemployment truly rises at a rapid rate in this country. What is more, what happens to those persons who have already drawn their 13 weeks , cannot draw a cent more, the businesses do not have cash flow to hire anybody and in the experience of our culture, they cannot go anywhere and get a day's work, that is the truth.

Many of us in this House today, Sir, are facing that reality with our constituents. People, who are unemployed, people who have exhausted their unemployment benefits, and people who could usually get a day's work but cannot find it now, how are they going to feed their children and pay their rent or their mortgages? Sir, I fear that it would only get worse.

It is good for us to be in here talking, but what do you tell that person in Maxwell, that person in Mount Brevitor or that person in Black Rock or Bush Hall, when they tell you week after week, day after day, that they do not have any more money. These are the real problems that Barbadians are facing and they are likely to get worse.

I say to the Prime Minister that we will help, yes, to speak to the Barbadian public on this matter because we believe that the old Barbadian share pot tradition is going to have to come back into play to help people get from day to day to day. These problems are real, Sir, and they bring us no joy.

Sir, I want at this stage to move at the macro level to what are the fundamental problems facing us because part of the difficulty that we faced is that most Barbadians will not appreciate why yesterday's Budget was so dangerous. Sir, it was dangerous because the Prime Minister failed to act. It was dangerous, because in the midst of an oncoming train, he kept on the track and tells everybody it will be okay, let us pray.

Sir, we know that even though the majority of the population cannot see the train yet, we know from our experience that it is coming. What needs to be done to stop it from coming relates to dealing with the two basic problems that this economy has.

Sir, you heard and saw the rating agencies refer to them; the fiscal deterioration and the balance of payments problem.

You heard the Chairman of the Economic Council speak to them, you heard the Prime Minister speak to them, but having spoken to them he did nothing and said nothing to avert."

Sir, let me deal with the first issue of fiscal deterioration. We all know, Sir, that Barbados has always had a high level of services, because fiscal deterioration, you are dealing with the problems today of high expenditure and poor revenue. Last year, the Government expected the revenue to grow by 9 percent, but it grew by less than three percent, and that is when the economy was growing. They came back in here this year and said that the revenue, that is where we stand today, is going to grow by 7 percent, but yet they are predicting that the economy would decline by 2 to 2.5 percent. It is not possible to meet those revenue targets, plain and simple.

Sir, we all know that Barbados has always had a high level of services delivered by the Government. That is part of the development model that both parties in this country have subscribed to. That is part of the Barbados Brand, we believe that the State must play a role inspiring the growth of the productive sectors and by-extension creating jobs and wealth for Barbadians.

We also believe, and perhaps more fervently, that it is important to provide services like free education, free health care and other subsidised services to be able to make people capable of improving their circumstances.

Successful administrations of the past have adopted this stance cognisant that the country must be able however to afford it.

As the Honourable Member for St. Peter put it in 2006 when he delivered his Estimates speech in this Parliament, we must be able to pay for any new entitlements in Barbados by reason of the surplus growth that we create in this economy. If you do not grow the economy and create those surpluses, you cannot continue to expand the number of free benefits that people can be given.

Tom Adams understood it too, Sir, and that was why when he introduced the Offshore Sector in the 1970s, he recognised that the money raised by the successful performance of that sector would pay for social services, without burdening the other productive sectors that had to be maintained, if you were not going to reduced people's standard of living. Sir, by the first half of the decade of this new millennium, by 2005, the Offshore Sector was raising 66 percent of our corporation taxes, Tom Adams was correct.

Mr. Speaker, that 66 percent contribution to our corporation taxes allowed us to be able to undertake the most aggressive income tax reform in this country, putting more money back into people's pockets. It allowed us to be able to undertake the programmes in the urban and rural tenancies that gave people a stake in this country for the first time in their life.

It allowed them not only to become tenant but becoming land owners and owing a piece of the rock. That is what that did.

Sir, when we say that we have concerns, it is not that we are against the social programmes introduced by this Government. Sir, we support them and I have said so in here, but we need to know how we are going to pay for that social programme. Sir, let me give you an analogy, there is no point in giving back a family \$10 in free benefits, if that action means that before the end of the year or in the next year, that family is worse off because the cost of other services that the Government would normally provide would be too high and so they cannot get those service. Sir, more important, having given that family back \$10, they are not now in a position to feed their families or keeping a roof over their head. Mr. Speaker, it is about priority. If they have to pay bicycle fees or road tax fees, any benefit you gave them is wiped out, so that you do not just give somebody something free for the sake of doing it, without understanding whether you could sustain it and afford it.

Mr. Speaker, by the same token, let me look at the revenue. As I told you, the projections made by the Minister of Finance, we do not accept. Can you believe that when VAT did not perform by the \$82 million growth that they expected last year and in fact performed worse that it did in 2007, that this Government has come back to this Parliament, approved a set of Estimates that says that VAT will grow by \$62 million this year, in an economy that is shrinking.

Sir, that is madness. Mr. Speaker, we have to ask the Honourable Member for St. John to share his econometric model, to show how he could have arrived at such predictions, because it defies rational explanation.

Mr. Speaker, you would now better appreciate why we on this side are concerned with the Government's ability to manage the country's finances. But it is not only the Opposition who is concerned, the Prime Minister read extensively yesterday from Standard and Poor's and Moody's and would have indicated that they not only would have revised their outlooks from positive to a negative but they say that they are continuing to be concerned about the fiscal deterioration.

Sir, those entities are important because those are the entities that rate Barbados and determine whether we could go to the international capital markets to borrow money and the cost of the money we would borrow.

Those entities have said that they are concerned about the fiscal deterioration, the worsening performance of our revenues against the background of increase expenditure.

Mr. Speaker, if we lose that investment grade status from them, it would mean that it would be more difficult to raise money and we would have to pay more. Sir, that is how we have financed most of our development in the last 15 years because the World Bank graduated us, as they were not lending us any more money. There was very little coming from the Inter-American Development Bank.

Sir, these things are important but I want to address this Honourable House very seriously on what perhaps would come to be regarded as the biggest signal given by the Prime Minister in yesterday's Budget. Sir, I am deeply concerned. On page 32 of the Prime Minister's presentation, he made a statement that most people in Barbados would not have picked up and most people, including perhaps some of this Cabinet, might not have appreciated the significance of it. Sir, I am referring to the commitment the Prime Minister gave yesterday to run a primary fiscal surplus of 5.9 percent of Gross Domestic Product by 2011. Sir, I am going to explain it, but I asked myself, why would the Prime Minister give this commitment, at this time when it was not necessary? Why in a vacuum? Sir, it was almost as if he had said it as a ran-fast.

Sir, let me explain to Barbadians what a primary fiscal surplus is. Sir, it simply means that you must spend less than what you take in, in relation to your current expenditure and revenue; you must spend less than what you raise in money, whether it is on wages, goods and services, transfers to the Queen Elizabeth Hospital, Transport Board, the University of the West Indies and what you do not do is that you do not include your interest cost, which is the interest of the payment of the debt. You exclude your interest cost from it.

Mr. Speaker, the significance is that the Prime Minister did not need to tell the country that yesterday. Sir, this is a Prime Minister who does nothing to appear unpopular.

He did not tell you yesterday about the new water rates, because he did not want anybody to say that he washed you in "X" dollars in water rates. He did not tell you yesterday, when he put a regime in place for high net worth immigrants, he just told you it was an international business initiative, but nobody in Barbados would believe that having announced a policy for immigrants last week, to put out poor immigrants, that he has now announced one today to beg rich immigrants to come to Barbados.

The question is that you have to ask, why did he make that statement? To whom was the Prime Minister speaking? Was it the Inter-American Development Bank? Was it the World Bank? Was it the International Monetary Fund (IMF)? Sir, these all promote and require the notion of a primary fiscal surplus.

Mr. Speaker, it was they they International Monetary Fund (IMF) who continued to speak about primary fiscal surpluses to us when we were in Government as well. That is part of their doctrine. Sir, I believe that it is they who have come up with the target of \$5.9 percent by 2011.

Let me say that they have forced Jamaica to run primary fiscal surpluses for years and that is why Jamaica does not have the elbow room to be able to undertake proper and more measures for the development of its citizens, because you are effectively committing that the surplus that you raise, will go first to pay your interest cost and the people from whom you have borrowed.

You run surpluses, not to be able to fuel development as the Right Honourable Errol Barrow asked us to do in running debt, you run these surpluses to be able to assure your creditors that you can pay them when the time comes. Sir, we have always maintained that in difficult times, it is better for us to make our own adjustments, than to have someone who does not share our priorities, who does not care about our future, do that for us.

Mr. Speaker, why is that so important? These people are only focused on their money, they are not focused on you using that surplus to build development, to build out Barbadians to make Barbadians healthier and better educated. Sir, it is the kind of statement that a Minister of Finance makes to protect the interest of the people from whom he is intending to borrow. It is the type of conditionality that creditors impose to protect themselves. It is a statement to protect the country's credit rating from the same Moody's and Standard and Poor's, in the hope that once they see that commitment to run a primary fiscal surplus of 5.9 percent, they will do nothing. Sir, we cannot live by words alone and you cannot say one thing, especially to international organisations and do another.

Sir, we cannot live by words alone and you cannot say one thing, especially to an international organisation and do another.

We have learnt that the hard way from Prime Minister Sandiford and it led to a worse programme being imposed on Barbadians than otherwise could have been done.

Mr. Speaker, I do not know whether the Prime Minister and the Government has been to the IMF or not but I can tell you that this is an IMF/World Bank style conditionality to run large primary fiscal surpluses and, a 5.9 percent surplus is large. Mr. Speaker, I want to break it down for Barbadians.

Sir, to achieve this in less than two years, by 2011 is unrealistic because it would mean extraordinary adjustment and that extraordinary adjustment would lead to untold suffering. It would mean deep cuts and higher taxes within two years.

Sir, let me tell you where we are today. Sir, the Prime Minister ought to have told the country yesterday that Barbados, this year, is already running a primary fiscal surplus of \$43 million. Sir, that is the equivalent of just over 0.5 percent of GDP. Sir, the members of Cabinet need to know that if you have to move from a 0.5 percent to 5.9 percent of GDP, it means an adjustment of over \$400 million in less than two years in this country. Sir, in plain language, it means cutting expenditure and/or raising taxes by \$400 million in the next two years. Sir, that is if he is going to do what he is committed to in his Budget to ease the licks from the rating agencies. If he does not do it, he is going to get the downgrade. Sir, this is an IMF style conditionality.

I do not know whether he has been but I do know that his Minister of State last night on radio said that they were already in discussion with the International financial institutions.

Mr. Speaker, let me say to Barbadians that in circumstances such as this remember what Prime Minister Sandiford said in the 1991 debate. He said that it was the World Bank who was wanting to impose worse conditionalities than even the IMF.

Sir, you cannot hide and go to the IDB and the World Bank and make people feel there are not going to be conditionalities because there will be. Sir, we are not telling the Prime Minister he is not to go to the international financial institutions but what we are saying is that he needs to talk the country-through these issues. He cannot make a one line statement in a Budget as if noting is going wrong. Sir, Prime Minister Golding in Jamaica is talking the Jamaicans through the issues including the possibility of having to return to the IMF but we do not have the luxury of being talked through the issues.

Mr. Speaker, I ask the Prime Minister simply to set up the Standing Committee of this Parliament and share the facts with us. Sir, I am 43 years old and he is barely a few years older than me and none of us, Sir, if we are to live the three score years and ten, wants to live in a Barbados that would be worse off. Sir, these are serious times, he is right.

We may disagree about how the country got here; we may feel that you help put us here but we are not going to stand in the way of stabilising this country at this most critical juncture of our development.

Mr. Speaker, I have to address equally now the issue of debt. It bears some explanation because the Government has chosen to borrow, that was the sum total of what it said yesterday. We are not raising VAT; we may have some expenditure cuts but we will borrow. Sir, there is nothing wrong with borrowing per se.

We used to say that when we were in Government but the Honourable Member for St. Philip West, who now has the indignity of bringing the US\$100 million here to increase the debt did not agree with us when he was on the left side of the Speaker but now that he is on the right side of the Speaker he now sings a different tune. Mr. Speaker, it is often said that you can spend a same dollar many times when you are in Opposition but when you get into Government, you find out you can only spend a dollar once. Sir, they are now learning that.

Mr. Speaker, we on this side accept that it would have been counter-productive and insensitive to raise the Value Added Tax yesterday because you would have reached the point of diminishing returns in an economy that is contracting. This is a tax that is 15 percent of a transaction. If the economy is contracting, you are not going to get an increased yield. Sir, that is why we say it is madness to predict \$62 million in revenue growth in the Value Added Tax this year.

Sir, the issue is, what is the purpose for which you are borrowing? Is the structure of your debt acceptable? Are you able to service your debt?

Mr. Speaker, in terms of structure, Barbados has a moderately low foreign debt component, compared to most countries in Latin America and the Caribbean. Sir, our foreign debt component is no more than about 25 percent or 26 percent of our overall debt.

Sir, there are not issues there because, first, at the end of the day, you have to be able to pay back foreign debt with foreign money, so you do not want it to go up. Secondly, you have always to be able to know that you can pay back your debt and mercifully, this country has never defaulted on a loan and, long and forever may that be the case.

Mr. Speaker, it brings us then to the question of why do you raise your debt. What do you raise it for? Sir, the other Honourable Members on the other side are so busy trying to blame the Barbados Labour Party for raising \$2.8 billion of debt in 14 years that they forget to tell the public that they have raised \$1 billion in 14 months. What did we have to show for our debt? Sir, we built Kensington Oval; we built the airport virtually and we expanded the Port. Sir, also, we would have been responsible for the Halls of Justice; for Her Majesty Prisons Dodds. Her Majesty Prisons Dodds was brought to book by this Government. Sir, we also borrowed for EduTech to repair school.

Sir, the point is that you borrow to increase your capacity to get more earnings so that future generations will have the ability to be able to repay that debt for you because you are earning more. Sir, that is the fundamental point that this side fails to acknowledge. Mr. Speaker, we built the Hilton Hotel and the Hilton Hotel recorded the largest profit in its first year of operation of any Hilton in the hemisphere. Sir, we borrowed to build.

Mr. Speaker, my fear is that this Government is committing us to a borrowing programme but it is not stabilising Barbadian enterprises. Sir, \$36 million from the National Insurance Scheme cannot stabilise Barbadian enterprises. Sir, the danger is that when you borrow without building capacity once the growth returns, you have no companies to be able to benefit from that growth. If you have to start from scratch when things start to grow again and form a company from scratch and hire people from scratch, you lose out. Sir, what is more, is that you would have, by reason of not having any companies to benefit, you keep your balance of payments under pressure because you are simply not earning enough to be able to offset your import bill, which in Barbados has now risen to \$3.7 billion.

Mr. Speaker, we say to this Government that the issue is not that you cannot borrow but that you need to borrow against the background of a stabilisation programme for Barbadian businesses and Barbadian household and, Sir, that is the tragedy of yesterday's Budget.

As I said earlier, this Budget will come to be remembered more for what it failed to do than what it did. So intent of the Prime Minister on calling out 10 years of deficits, he did not tell you that it was only one year that we went about the 2.6 per cent range. It was only in 2002, after 9/11 when we deliberately ran a counter cyclical deficit, but all other years the deficit of this Barbados Labour Party Government, when in Office, was in truth and in fact, within the parameters set by the Maastricht Treaty in the European Union. Those are the facts.

Sir, he did not tell you that it makes a nonsense of what he said. I find it amazing that a Government in office is making that an issue. That is Opposition politics. What I say to them is, when you take a country like St. Kitts, St. Kitts' national debt, in the same 14 years moved from \$200 million to \$2.2 billion in the same 14 years, and the St. Kitts economy is 1/7 the size of Barbados.

Sir, do you know what makes this also cute is, this better explains why the Prime Minister has to commit to a primary fiscal surplus next year, because having determined that he is not going to raise taxes, and we agree with him on not raising the VAT, having not identified massive expenditure cuts, he has to borrow. If he borrows against the background of Moody saying that this is a bad fiscal situation, and if you continue to have the fiscal situation worsening, we will downgrade you, he risk being able to access more loans and cheaper loans for this country.

He is between a rock and hard place of his own making, because, had he put a programme yesterday to stabilise the Barbadian private sector and the Barbadian households, and borrow for that purpose, help them to keep their heads above water for twelve months, in this hard time, when the sea is choppy you have to be able to get back to shore safely.

You do not want to drown in choppy waters, but he failed to do that. Sir, now if he came here at this time to borrow, this side, this Barbados Labour Party will be the first to support him.

Sir, a Government in a country where the majority of people do not have access to capital. Sir, they were not born with significant amounts of money. The majority of companies are under capitalised, they are not in a position to weather a hurricane with the windows and the doors open, they need the Government to button down the house and help keep them alive during these 12 to 15 months.

Sir, the other issue is foreign reserves, because as I said, the balance of payment protection is critical. The value of the Barbados dollar depends on this. Barbadians today take it for granted the stability which we have that one US dollar is BDS\$2, so to speak. Our people have not had to worry as others have had to in the region, in Guyana, Jamaica and to a lesser extent Trinidad. Sir, when the dollar keeps depreciating in value you cannot plan. It erodes people's ability to be able to provide for themselves.

It is the most debilitating thing when you thought that \$20 could buy X only to find, through no fault of your own, it cannot any longer purchase that same amount of goods. It makes inflation look like child's play, if you have a dollar that is continually depreciating.

Sir, we must do all that we can to maintain the fixed exchange rate. The benefits in our context far outweigh any downside. It is against that background that we remain to be concerned about the drop in the international reserves. The Prime Minister chooses to focus on the net international reserves. We are asking him to focus on the overall international reserves. Why? You have had partial liberalisation of your capital account by the Central Bank, the reality is, we did not have that in 1991. So you could afford to focus on the net national reserves of the monetary authorities. The reality is, today you do not go to the Central Bank to get foreign exchange for your transactions, you go to the commercial banks. The reality is, it is important therefore for you to understand what net foreign assets of the commercial banks are because it helps support the activity in the country and the reserves that are needed.

Sir, what is more important to understand, 60 cents in every dollar that we spend goes back out virtually in foreign exchange. We do not make all the clothes that we wear. We do not produce all the food that we eat. We do not produce all the furniture that we buy. So the average Barbadian understands that you cannot pay for those goods that you bring in from outside with Barbados dollars, you cannot do it.

The reality is, we have therefore to earn foreign exchange in order to be able to continue to purchase the goods and services that we need to maintain our quality of life.

Sir, I will come shortly to the productive sectors very quickly. Sir, you are not exporting as you would, normally and expected too. Sir, we put an export programme in place that paid dividends for us, and for 3 or 4 years our exports increased right up to the end of 2007. We had extraordinary private capital inflows. Once people send their money here to invest that helps buffer the difference between your export earnings and tourism receipts and what you spend in imports. Sir, because of the high level of inflows, it meant that in 2007 we did not have to go to the foreign capital markets to borrow a cent.

Sir, what do you have instead? You have a situation of mixed messages coming from this Government and from this Prime Minister. They do not want any investment that will cause any loss of property in Barbados. That is what he said. They do not want the selling of land to foreigners, but yet they do not want to lose the jobs or to lose the foreign exchange. You cannot do both, Sir. The reality is, even as the Prime Minister has been saying one thing and doing another, as it relates to investment, because you know all major decisions are now in the Prime Minister's Office, Investment, Immigration, Town and Country Planning Department, everything. Sir, his Minister of Agriculture, as recent as Sunday has been advocating that people do not sell their land.

Sir, you cannot send mix messages and expect still to get in capital inflows.

Sir, let me put the record straight. September 2008, was when Neiman Brothers collapsed and the international credit crisis came about. Do you know that even before that we lost \$500 million in private capital inflows between January and September 2008? It is true that we lost \$300 million in the last three months too, but the messages that we send about the importance of investment, there is no country in today's world that can live without some level of foreign direct investment, and the one that relies on it the most is the United States of America, and indeed the United Kingdom. That is the reality. Sir, we have now to hope that this Government recognises that they are in office and what they say sends messages to people and will determine whether people invest or not. That includes within CARICOM too, because all of our foreign private capital did not only come from outside the region, part of it came from within the region.

Sir, the Honourable Member for St. Peter will speak extensively tomorrow on the Caribbean Single Market and Economy, but it stands to note that, having been the Prime Minister who has most distinguished himself by making the Caribbean Single Market and Economy come into life, Sir,

Sir, if the Honourable Member for St. John would at least follow the lead of the Rt. Hon. Member for St. Peter, we would not be wondering whether CARICOM is alive or dead.

Sir, the reality is that 52 per cent of our exports go the Caribbean region, CARICOM. One in every five tourists comes here and we have had significant inflows from CARICOM to be able to invest in companies in Barbados and that is what has helped us to keep things going. Sir, what is more, we argue that were the Government to be more serious about understanding the difficulties facing our balance of payments, it would not be asking the National Insurance Scheme to singularly build two Government buildings at \$104 million, without seeking to find a strategic partner, who could help bring in foreign capital, to be able to offset the drain that that would put on our foreign reserves, as they try to keep the economy stimulated.

Sir, they would understand that it makes sense to have a public private partnership with foreign capital, even in terms of building a new Queen Elizabeth Hospital, because 60 cents in every dollar goes back out of this country, Sir, in order for us to build what we are building.

That is a fact, because we do not produce enough. At least I can say that the Honourable Member for St. Philip West shares my view that the manufacturing sector in Barbados will never be large, but it can certainly provide a greater role in ensuring that in furniture, in relation to clothes,

condiments and a few other things that we can produce more of what we want to buy.

Sir, it is one of the reasons why after 9/11 as well we sought to impose the strongest ever, Buy Barbados Programme in order to be able to ensure that we could save jobs locally, because if we were spending the money by buying other people's imports, we would be supporting other countries' jobs and not our own. These are the issues, Sir, and yesterday, rather than that, what did we have from the Prime Minister?

Mr. Speaker, not a word on manufacturing, not a word on boosting further the foreign exchange earnings of that sector, not a word on how best he would deal with tourism, beyond the Tourism Relief Fund which will not be enough to meet the scale of the problem, not a word on Agriculture but, worst than that, not a word as to how, until the international business sector initiatives that he announced gets going, he would stabilise the absence of private capital inflows into this economy. Sir, that is what would affect the balance of payments problems in this country.

Mr. Speaker, the Prime Minister continues to rely on philanthropy. I feel that philanthropy is a good thing but you cannot build a country's development on philanthropy and begging alone. It would be unprecedented in the history of nations.

Therefore, to say that you are going to build a hospital for a country that has the number one quality of life in the developing world, purely from begging to build that hospital, is an insult.

We have to be able to provide for the health of our nation, we have to be able to recognise that a new hospital is needed in this country and the more we put it off, the more expensive it will be and, the more difficult it will be for us to do it.

He needs to bite the bullet, Sir, and build a new hospital; find foreign private capital inflows and merge it with also investments from the NIS, and other local interest and build the new hospital and it cannot cost him anything less than BDS\$700 million, contrary to what he would have said prior to the elections.

Sir, let me come to the issue of tourism. This Government did not deem it appropriate to address the concerns of the tourism sector beyond the marketing efforts and the Tourism Relief Fund that was put in place earlier this year. When I spoke earlier of the need for timely decisions, Sir, it was because in large measure that if you do not respond quickly, enterprises will suffer. It has taken the Government the better part of five months and not a single tourism enterprise has been able to draw down on funds from the Tourism Relief Fund as yet.

The Honourable Member for St. Michael North will speak extensively to these issues later tonight when he speaks. The reality is, Sir, that we find ourselves with the most important sector in this economy, being literally at the front line of the international economic recession.

There is no dispute about that but how are we going to help them keep alive beyond the measures put in place.

Let me say, Sir, that you know the Minister of Tourism continues to come in here and say that the declines could be worst and we should be grateful for that but he does not tell you, Sir, that at a time when in 2008 Antigua grew by 1.5 percent; Aruba grew by 10.5 percent; Cayman Islands grew by 3.9 percent; Jamaica grew by 4 percent; St. Lucia grew by 3 percent; Barbados, Sir, declined by 2 percent. Those are the facts and these are all markets that, essentially, rely on 300,000 tourists or more, similar to us.

Sir, you know that one of the reasons is that the marketing efforts for Jamaica were going from the beginning of last year, and anybody who watches CNN would say that you see so many Jamaican ads on TV, on CNN that you would think you are in Jamaica. Now, granted, their market is more north American oriented, but when you come to this House in November, for the increase marketing support that should have been executed since the Summer for the Winter, you must expect declines, Sir.

Mr. Speaker, what is the position for 2009? Our long stay tourist arrivals are down by 8.2 percent. The value added is down by just more than 6 percent and we would have benefited from the English Cricket Tour and we still performed as poorly as that. We are in difficulties. Sir, you know what bothers me, is that Jamaica does not necessarily have a superior tourism product to Barbados.

In fact, we have a better mix of facilities than Jamaica, but Jamaica continued to outperform us last year. How can that be?

An invariable, Sir, is one that the Minister of Tourism should face, if not, ask someone else to do the job for him. We know, Sir, that there will be negative factors affecting the slow down. We have said that. They are on the front line. When people lose their jobs in the United States of America and Europe, they are not going to be able to travel as they did before, but they are still people travelling, and they are still opportunities out there that we can benefit from, but it will not come from by throwing your hands up or my moving, almost like molasses, to provide the assistance that the sector needs.

The sector is still waiting, Sir, on a comment, in relation to the reduction of duties on a number of key products that increased their operating costs. Sir, some of those products are not made in Barbados or in the region and, therefore, the Government has elbow room to bring down some of those costs to help stimulate the sector.

Sir, some of those issues that they have expressed may be a little more difficult to address, particularly given Government's revenue situation, but we know that if we do not address them there will be more closures, more short weeks and, Sir, a certain dim future for those within the tourism sector in this country.

Sir, what are the facts you have seen projects by projects close down on the West and South coasts in this country: Beachland at Sunset Crest, Banyan Tree at Mount Brevitor and the Lakes Retirement Village. We have seen the Ocean Project stalled in St. Lawrence Gap. We have seen Royal Westmoreland and Sugar Hill second phases being put on hold and the Rosewood project that we expected would go at Harrison's Point has been bungled by this Government in relation to its management as to how and what it should do with the valuation at Harrison's Point. That is what has happened.

We have seen, Sir, a government determined that it is appropriate to restructure the Barbados Tourism Authority in the midst of the worse crisis we have faced in 80 years. What kind of person fixes their house in the middle of a hurricane?

Sir, what is worse is that we have also seen them take decisions to change the leadership in circumstances where we believe that it has nothing to do with the competence of the person who was last there, but a desire simply to have their boy on the job. I say to you, Sir, that these are serious issues.

We have seen Accra close. We have seen Cafe Jungle close. We have seen Grand Barbados close. Week by week, Sir, you are hearing more restaurants, more tourism establishments, and in some instances, as in Grand Barbados, hotels closing.

We are in serious times and the people of Barbados needs answers and the Prime Minister must give them. That is why we were horrified that as he chose to give a pep talk to everyone else that he did not speak to the tourism industry directly even if he felt that he did not have anything else to give them.

Sir, it does not stop there alone. We continued to face increase airlift cost and reduced airlift. What is being done to stabilise all of this? I trust and hope, Sir, that the Government recognises that there is a need and an urgent need for us to be able to put down roots and be able to stabilise the Barbadian companies in the productive sectors to get them through.

As it relates to international business, I believe that most of the initiatives were reasonable. I believe that they can work, but they would not work in under 18 to 24 months. Let us be realistic, you have to pass draft legislation, you have to pass legislation, you then have to make sure that the persons who are marketing the products, as the Honourable Member for St. Philip South would do, have the information along with all the other practitioners and that you go out there and market it. The reality is that you are marketing in difficult international conditions, so that while we consider the measures to be worthwhile, we believe that there are going to be some issues that would cause them not to be immediate in their thing.

We welcome too the financial services authority establishment by the first quarter of 2010. We say that we felt then, as we do now, that it is critical for the regulation of the non-banking financial services sector. Indeed, Sir, had it been in existence earlier this year, it would have been able to play the kind of role in relation to the stabilisation of the financial services sector that is necessary.

May I say though, Sir, in relation to CARICOM, this point, more and more, CARICOM is going to find it difficult to be able to see to individual countries established entities to be able to serve regulatory needs country by country. As we have shown with the Caribbean Court of Justice, it is possible to create a regional entity and give that regional entity both national and regional jurisdiction. The Honourable Member for St. Lucy, I believe, has agreed with me in a previous debate on that point and in relation to the Caribbean Court of Justice.

Sir, the reality is that maybe not with the Financial Services Commission since the Government is on course now to creating it, but we are going to have to look more and more at sharing our resources, creating central regional bodies but giving them also national jurisdiction.

Sir, this brings me to the matter of CLICO. I note with interest the establishment of the Oversight Committee for the sale of the three CLICO Financial Companies especially since the Prime Minister denied earlier this year that there was no problem with CLICO, all was well and a private

sector solution could be found. He has indicated that the Government of Barbados has signed a Memorandum of Understanding with CLICO to have oversight of all expenditure, decision-making, as well as the sale of the three entities.

Sir, I must say that it is unusual for a Government to have to intervene to oversee the dealings of two private companies when they are discussing sales. All that does is to cause me to say that the Prime Minister needs to provide further information to the public so that we may better understand his motivation for the establishment of the Oversight Committee.

In addition, he needs to release the Memorandum of Understanding. I call upon him to lay it in this House before the end of this debate so that we could better understand because it is a document that binds the Government of Barbados and therefore cannot be a private document, and I trust and hope we would be able to see it.

Let me say, Sir, that we do not view the establishment of this Oversight Committee as a substitute for the protection that life insurance policyholders and investors would have been assured through an application to the High Court for judicial management under the Insurance Act, it is not a substitute. Any such high court order would not preclude either the Supervisor of Insurance or indeed even the same Oversight Committee from continuing to pursue the sales.

In fact, the experience of the breakdown of the talks with the Insurance Corporation of Barbados shows why it is critical that you ought to have that form of judicial protection in case anything goes wrong as they now invite new bids for the purchases of these three companies. I do not understand or I do not believe that the executive could reserve the rights and obligation of the supervisor of Insurance under the legislation and indeed also the right of policyholders to be able to enter into the action to protect their own interest in the courts. I would have to ask, Sir, why is the Prime Minister so reluctant to apply this remedy. Truly, Sir, like the peace of God, it surpasseth all understanding.

Sir, it is especially appropriate that we be concerned because if this strategy fails and you have not a Private Sector solution but any form of Government bailout, there would be implications for the taxpayers at a time when, as we said, Barbados does not have the fiscal room to accommodate it. I believe it was Standard and Poor's that specifically adverted to it and it was equally Standard and Poor's that downgraded Trinidad's outlook as a result of Trinidad Government's bailout of CLICO and CLICO Investment Bank.

Sir, the Opposition is not trying to get in the Prime Minister's way. There are legitimate concerns that need to be addressed and that will fundamentally affect our national interest. We would also wish at the appropriate time to be updated as to the liabilities that we may face in relation to any bailout of British American Insurance particularly in the Eastern Caribbean, given the Government's commitment to participate in the

regional solution.

It is also hoped, Sir, that the Oversight Committee which the Prime Minister is establishing will ensure that CLICO publishes its 2008 statements in the newspapers as it is required to do under the law given the fact that the date for it has passed on April 30, 2009. It is important that policyholders and investors have the opportunity to review the company's 2008 performance as is required by law.

Sir, I will not address this matter any further today except to say that there are Barbadian annuity holders that are still concerned as to their position. There are those who have not been able to withdraw their investments and there are those who have already withdrawn theirs.

Mr. Speaker, there is a concern, as we have discussed earlier this year, that the Insurance Act may not properly cover their situation and may need further amendments.

Mr. Speaker, I have already indicated that the manufacturing sector really was treated dismally yesterday, they have to relief to the tourism people, they got no word yesterday. Sir, manufacturing still accounts for 8 percent Gross Domestic Product in this country; manufacturing still employs 15,000 people in this country and manufacturing can succeed if we create the appropriate niches and equally, if we seek to be able to export, where we can in those areas in which we have a strategic advantage, such as rum.

Sir, the rum industry is a \$60 million in Barbados but it can grow far beyond that. The rum industry can, in fact, grow as much, in my view, to become a \$250 million industry in the next ten years. But we have to have the measures to support it. Mr. Speaker, we were starting to work with them when we left office.

Equally, the issue of the establishment of Export Barbados. We have heard nothing from this Government in relation to whether or not that entity will be established. We felt that there needed to be an entity that, in truth and in fact, came to work every day to focus on the exports of Barbadian commodities.

Mr. Speaker, it is not that we want to create another entity but we felt that most Barbadian enterprises are not sufficiently capitalised, in order to be able to deal with the work that has to be done to facilitate that export. Indeed, we feel that there ought to be some framework to stabilise manufacturing companies in this country beyond that which had been given. Sir, I could only hope and pray that the Honourable Member for St. Philip West when he speaks in this debate, would speak to the concerns of those 15 000 employees in the manufacturing sector in Barbados.

Mr. Speaker, in relation to Agriculture, there was no word on that sector. Sir, the truth is that nothing is happening in the Agricultural sector, except the monthly snail hunts and the Press conferences. I would not be so unkind as to rename the Minister of Agriculture and Rural Development "Bounty Killer" but there are others who have done that.

It is amazing that even at the Social Partnership meeting in March, the Honourable Member for St. Michael West Central, the Chief Executive Officer of Barbados Agricultural Society, was heard to complain of the failure of the Government to implement the budgetary initiatives in Agriculture as recent as March 2009. Sir, I agree with him.

Mr. Speaker, sugar production may be up this year because of the unusual rain that we have had this season. It was not because of any fundamental improvement in the industry. The much needed reform which the Barbados Labour Party identified as necessary for the viability of the industry, have effectively been abandoned and no alternatives have been developed. We were going to build a new factory that would have been able to allow us to produce specialty sugars, electricity, ethanol or alternatively, as I was arguing for, the molasses necessary for the expansion of the rum industry.

Mr. Speaker, indeed, the poultry and pork sub-sectors, which we left doing well, have lost some level of dynamism and have not made sufficient progress as we would have expected. There has been a small increase in the production of cassava and sweet potatoes but except for those and the continued growth of the dairy sector, which started indeed some two or three years ago, the much talked about food security is not really exhibiting any major progress.

Mr. Speaker, it is noteworthy that St. Lucia, in these difficult times, recorded last year a 22 percent increase in food production not Barbados and a 12.3 percent increase in fish landings and a 26.5 percent increase in bananas production. Sir, in short, there has been more talk than progress in Agriculture in Barbados. Sir, I can, therefore, better understand the frustration of the Chief Executive Officer of the Barbados Agricultural Society. Mr. Speaker, the truth also is that the Minister seems more focused on talking than making sure that action takes place in this sector.

Mr. Speaker, unless the necessary improvements are made for having technology being infused in Agriculture in this country, we will not be able to derive the appropriate gains. The problem with Agriculture in Barbados is not access to land, it is, in fact, access to labour and its failure to appropriately use technology to improve the yields of Agriculture in this country.

As it relates to the creative economy, the Prime Minister would have known from before he spoke that I would agree with him on the initiatives which he sought to put in place. My only difficulty is that the Cultural Industries Bill has, in fact, been drafted since 2007 and my anxiety is why has it not been brought to this Honourable Chamber before?

The truth is also that I look forward to the specificity as to what other initiatives, but the Prime Minister knows that he can count on my support as it relates to putting an appropriate framework in place for the cultural industries practitioners in Barbados. I have seen it, both from the side of someone who manages a band, an artist in Opposition when we were last there in the early 90's, when he was Minister of Culture; to the other side when I was Minister of Culture for seven years. I believe that there is significant growth opportunities for us in this area.

Mr. Speaker, in relation to construction, that has, in fact, been one of the major growth sectors in Barbados for over 12 years but it has, unfortunately in the last 12 to 18 months, seen a significant decline. The truth is, there are many artisans and owners of trucks, who were able to significantly transform their circumstances in life because they were making money. There were small people who worked in joinery shops, who were able to help in the construction of doors and earning a better decent living than most families who went to work dressed in 'collar and tie' . That was the reality of the construction sector in this country, it created a new class of businessmen and wealth was abounded.

What is the reality today? We have large commercial trucks not being sold anymore. We have people giving back their trucks for which they had received financing. We have joinery shops laying off people. This is the bold reality of what is happening in the construction sector in this country.

Sir, the truth is that we cannot sit idly back and believe that Government's construction programme should only go to the large companies in this country. Sir, those large companies deserve work too but they must not have that work at the expense of the small and medium-sized contractors, who were relying on Government for most of their work, particularly at a time when the large contractors were busy working on the West Coast in this country. Those are the facts.

Mr. Speaker, we have heard nothing on the offshore energy policy in this debate, nothing from the Prime Minister. This is in spite of the fact that we have worked hard to put 24 blocks out there, the Government has only given out two, we do not know what is the amount paid on the signature bonus. We do not know what is going to happen to the other 22. We hear that there may be a Barbadian consortium that may receive it. We do not know the circumstances under which it will be done but what we do know is that the manner in which the Government has been managing this sector has caused the international oil sector great concern, and that is why that in spite of the fact we have over 13 or 14 people interested and taking the bid documents, that only three bids were received by this Government.

I want to come to the issue of the domestic energy policy. Sir, you would have heard me speak before as to the need of this Government to be able to treat energy as one of the key policy issues that will unlock the productive capacity that is being constrained. What do I mean by that?

The truth is that you need diesel to pump water, to bake bread, to be able to fish and to do all of these things. Sir, diesel affects your intellectual capacity. When you have diesel in Barbados being sold as \$1.71 per cent litre, some 25 cents more than it was when we left office, when it was \$1.46 in spite of the fact that the price of oil is cheaper to this Government today than it was when we set that \$1.46 price. You are paying less for a barrel of oil but you are charging more for diesel to people in this country. Sir, it is not right. It is one of the key areas that could be adjusted, diesel prices can be brought down and that would assist some of the very same Barbadian enterprises who need to be stabilised and who need to be able to find an easier way in relation to meeting their costs.

Mr. Speaker, what is more. When we set the \$1.46 price, the price of oil was \$65 a barrel. I do not need to tell the rest of Barbados what the price of oil has been consistently for the last three months. It has been below \$60, so if you were paying \$1.46 when you were buying at \$65, how are you now paying \$1.71, when you are buying oil for less than \$60 per barrel, in fact, closer to \$50 per barrel, given the lag that takes place.

Mr. Speaker, I go further, the price of gasoline is \$2.02 per litre in Barbados. Do you know, Mr. Speaker, what is the average cost of gasoline in the Caribbean? Sir, the average cost of gasoline in the Caribbean is \$1.52. Sir, it is 50 cents less than it is in Barbados. Mr. Speaker, Barbadian drivers are paying 50 cents more on average per litre. Sir, those figures are available and if the Government wants to challenge, I will produce those figures, country by country.

Sir, the truth is that Barbados has the most expensive and after Barbados comes Bahamas at \$1.86 per litre for gasoline.

Mr. Speaker, this reminds me so acutely of 1991, 1992, 1993 and 1994. One of the first things this Government did in order to create an environment for the creation of jobs was to deal with its energy policy, by making energy more affordable to enterprises, you spurred production and you create jobs. Sir, it is so basic a principle that I cannot understand why the Government fails to take action even in these acute times of difficulty for Barbadian Companies and Barbadians household. Sir, every dollar makes a difference at this stage to these persons.

Mr. Speaker, when the Prime Minister introduced the special prices for the PSVs and the fishermen, he also said that the farming sector would benefit but it is my understanding that only the large farms have been able to benefit and small farmers continue to have to buy diesel at the normal market rates in this country. I urge him to correct that situation for the benefit of the small farmers in Barbados.

Mr. Speaker, the Government addressed its infrastructure and I need to say this on behalf of my constituents and all the other St. Michael Members of Parliament. We understand the Government in terms of what it says about building two new buildings in Warrens but, Sir, two new Government offices in Warrens will put over 1,500 employees coming to work there that do not now come to work today.

Sir, simply fixing a few junctions in Warrens will not relieve the problem. It also shows the folly of abandoning the flyovers because what you certainly need to be able to do is to have a sensible traffic management plan in Warrens.

Mr. Speaker, the Honourable Member for Christ Church West Central can shake his head but he does not live in Jackson's. He does not have to come through Warren's bottom. He does not have to come up Green Hill. He does not have to deal with the fact that Green Hill is one of those small two lane highways. I urge the Honourable Member Christ Church South to recognise that this is an urgent problem. They have 18 months within which to fix it before the buildings are completed and I ask the Prime Minister to bear some thought because it is not only the 1,500 people going to work at the buildings, it is also the public who are going to those ministries for services every day, so it is going to be in excess of 1,500 people visiting those employees. Mr. Speaker, this is not a partisan matter. This is a matter of easing people where it matters most in terms of their ability to get in and out of their homes and to go to work.

Mr. Speaker, I also want to say that I urge now the Honourable Member Christ Church South, if he has not yet heard it, if his colleagues have not yet told him that people are referring to that massive roundabout in Wildey as the Wildey death trap.

You cannot ask traffic to come down off that hill or indeed, from the Fort George end and cross over three lanes in that short space.

This is not a political matter. This matter needs to be reversed before somebody is killed or hurt in this country. Sir, the Honourable Member for St. Philip West speaks all the time to scientific issues and I am sure he would agree that it is physically impossible to cross three lanes in that distance without risking injury.

Mr. Speaker, the Honourable Member for St. Michael North West wants to cry pooh-pooh on it but the truth is, if persons appreciate the horror that some motorists have in taking that road now to get to Bridgetown coming from St. David's, they would better understand that sometimes, I do not believe the Minister did it. It was his advice from his officials. Sir, all the Minister needs to do is to tell them that the people of Barbados do not believe that this massive roundabout can work.

Mr. Speaker, I do not have the time to address all the issues without losing the television time. Could tell me how much more time I have on television?

Mr. Speaker, the Prime Minister has promised to move a Resolution so that I can speak. If he would so do, I would take my seat so that I could finish my speech appropriately without being constrained by the equal time. Sir, the Prime Minister said so from his seat but I want him to say so from his feet.

Mr. Speaker, let me come to the issue of extent to which this Government has treated to the housing issue. This is the same Government which said it would build 2,000 houses a year. Sir, the Honourable Member for St. Andrew and Honourable Member for St. George North would speak to it. Sir, what concerns me here today and what I would address very quickly is the fact that those people who paid deposits at the National Housing Corporation and who have not been given back their refunds are being unfaired in this country. Sir, it is wrong and it is immoral. Mr. Speaker, we pledged on this side that a Barbados Labour Party Government would return the money to those people because it is wrong for others who came after them to get a free house and for them to continue to have to pay.

Mr. Speaker, the most disturbing feature of the Prime Minister's presentation of the Prime Minister yesterday was that there was a naked attempt to put Party before country. He wanted to leave in here without people having anything to complain about in terms of anything negative about it. He said that he got all kinds of advice but he failed to take it at this stage. He said the time was to cut and contrived, repeating the language of Mr. Sandiford.

Mr. Speaker, the problem is that he operates in a system of which there is a particular Democratic Labour Party brand and the Democratic Labour Party brand is one that was articulated equally in the early 1990s, that there would not commit political suicide, that they will not put anything before the Party. It was a doctrine of Party supremacy.

It that is why we continue now to spend \$6 million in Constituency Councils even though the country cannot find cannot find money to do other things. That is why he would want to deem the Constituency Council a charity in order to be able to raise money to give the Constituency Councils to spend in constituencies. That is why he would want the Minister to choose the members of the Constituency Council rather than the people whom they are going to represent.

I say to you that so consumed was he with the image of the Democratic Labour Party that is why he could not announce the precise figure for the Barbados Water Authority's increases, but that would come on you during the night like a stealth bomber, in order to help them raise revenue in that instances.

Sir, I want to say that now is not the time for the Democratic Labour Party brand to be prominent. Now is the time, as the Prime Minister said but does not do to put Barbados first. He is in the seat of the office of the Prime Minister and he is the one who has the primary responsibility to set the tone and to be able to deal with it. Sir, if he is serious about wanting us to work together in the interest of Barbados, then he must also give the commitment in this debate that the plans to send home people at the Urban Development Commission and Rural Development Commission under the pretence of restructuring but truly because of whom those persons represent must be put on hold. It is wrong. It is a form of political tribalism and it is a form of political cleansing.

Sir, I say to you that Barbados deserves better. Barbados truly deserves better. Sir, I believe that we can do better. I believe that Barbados can do better. We have to ask ourselves questions like what should the structure of Government be like? What kind of society do we want to have? Those are the questions that we have to engage in especially in these difficult times. We in the Barbados Labour Party will in the course of the next year be conducting sessions because we believe it would be fundamental to the next 20 years of this country's growth and development.

We feel that equally that if we are to succeed in a more hungry competitive world, then that will rest on a number of pillars. We have to, first and foremost, to deal with the education and skills of our people by continuing to improve. Yes, we have had reforms but we can still go higher and better. We believe, equally too, that education should not just be for when you are in school but for your lifetime. The truth is, if we have to cut back on other things in this society over the next 2 to 3 years, we must not cut back on education, skills and skills training. Sir, I say that, equally, that our skills training must be new ones, not to offer training in areas that already exist and for which there is no demand for people's services but in areas where growth is possible, like renewable energy. We believe that, for example, an increase in oil prices again, as soon as America starts to move again and demand increases. Therefore, you cannot forget the place of renewable energy in this economy.

We should be training people in those areas, so that when the rebound comes, we are in a position to take part.

We accept that it is critical that we focus on the health of our people that is why I am begging the Prime Minister to build a new Queen Elizabeth Hospital without sending it for another report. Sir, 16 months later, after you promised Queen Elizabeth Hospital rescue plan, all we can hear yesterday was another report. I support his entreaty that he will ask Barbadians to get moving under the leadership of his wife. He perhaps might better have asked her to also get Barbados moving because of the failure in this Budget to address some of the key issues. Sir, let me say that the Health and Wellness Programme is critical, and indeed in my own constituency we are in fact instituting such a programme now, because we recognise that if people are not healthy they will not be able to be productive.

We also believe that in our physical and social environment that at this time we should be spending time investing in how we not only can build on renewal energy, but equally, how we can draw up an environmental balance sheet for our nation. We need to be able to measure and detail our environmental assets and liabilities and see where and what investments maximise our environmental balance sheet and minimise our deterioration if we expect to become health and to live another 30 years, then we truly need to be concerned about what kind of environment Barbadians will have in 20, 30 or 40 years time and it time that we do that.

Sir, we need also to focus on culture, to focus on the use of technology, the continued reform of telecommunication and ultimately the reform of our governance system.

I believe that there are external reasons why the international investors have become more risk averse, but there are national reasons why they may no longer want to be investing here as we indicted. Our destiny is not yet formed. Even after yesterday it is not yet formed. We can ill afford to waste time and to waste opportunities that are necessary to generate our success for tomorrow. Failure to do so is one of the critical features of this Budget. It has failed to meet the challenges identified by the Prime Minister.

Sir, much of what I have spoken about in terms of new areas can only be executed if planned, and the Government has already a framework in the National Strategic Plan of 2006 - 2025. We need to be able to make the sectoral plans to ensure that we can execute them when growth returns. The problem is, we want to know where are all of these plans, or is it that the only plan that the Prime Minister is consumed with is his next flight plan. That is the difficulty that we find with this Budget today.

I want to quote as I come to a close from the words delivered by the Right Excellent Sir Grantley Adams in 1930. In 1930 he delivered himself of these words and I believe that they are appropriate because neither this Budget nor the Estimates of Expenditure and Revenue, produced in March 2009, I will refer to the quotation of Sir Grantley Adams now.

"These are critical days for those to whom are entrusted the destinies of the people of Barbados. It is not enough that the wave of political awakening should have washed up to shore many who hither, who thought but little of politics or the science of Government. We must look beyond the present. We must look to the horizon beyond. We should think of more than the exigencies of the moment."

Sir, that is the mark of true Statesmanship. Those are the words of the father of our democracy. They should guide us in the same way that the words of George Washington and Thomas Jefferson guide our neighbours to the North. That, Mr. Speaker, is the mark of a maturing society. We have no difficulty in acknowledging Errol Barrow as the father of Independence but we equally not ought to have any difficulty in acknowledging that Grantley Adams is the father of democracy. The Prime Minister would do well, to heed however, to heed the words that he used in 1930 in relation to the question of what is required beyond the exigencies of the moment.

Sir, we in the Barbados Labour Party stand ready to play our part. We have outlined some of our views here today but there are others, and we hope there will be an appropriate mechanism put into place in this Parliament that will allow us to play our role. We believe that Barbados deserves better than what we are facing.

We believe that Barbados can do better. We believe that we all as a people and as a nation can do better.

I am obliged to you, Sir.