

Wednesday, 20th March 2019

BUDGET SPEECH BY

THE HONOURABLE MIA AMOR MOTTLEY

PRIME MINISTER OF BARBADOS

Mr. Speaker, Sir, today is a day that has been marked first and foremost by the solemnity of a minute's silence that this ancient Parliament wishes to communicate to the people in New Zealand and by extension to the people of the world for an act which took place last week, that perhaps came fully home to me as I spent Sunday afternoon in the Roman Catholic Cathedral at St. Patricks, celebrating the 120th anniversary of that establishment.

We have already communicated to the Prime Minister of New Zealand and I thank you for affording this house the opportunity to similarly communicate to the people and Government of New Zealand.

I would also like to communicate our sympathy to the persons who in the last 24 hours would have suffered from the Tropical Cyclone Idai, in Africa, because it only reinforces, Mr. Speaker, how precarious our existence is on this earth.

Sir, Sunday coming, the 24th, will mark 10 months that we embarked on this journey. The commitment that Barbadians have shown to this trek knows no equal. In this critical passage of our history, and I am glad that some of them are with us today, the Social Partnership has played a vital role. We have committed, sir, on a voyage for love of country and we must see it through.

We must, Mr. Speaker, stay the course.

Much progress has been made; important points along the way have been seen and have been passed. I keep saying that we keep passing the right road signs. The IMF approval of the Barbados Economic Recovery and Transformation Plan; the domestic debt restructuring, a budget surplus.

But, trust me, Mr. Speaker, everyone knows that we cannot rebuild in ten months what we lost in a decade. I might even say, sir, what was destroyed in a decade.

And even as we embark on this path we have been beset by some major challenges, led of course recently by the unfortunate incidents of gun violence. It is a scourge, sir, that my Government will not ignore or tolerate and we have already begun taking steps to counter the same. We must and we will do everything in our power in this country to save our young people.

And the international background today, sir, has made the task harder than ever before. Brexit has curbed the enthusiasm for travel among our largest source market. The OECD has forced us to abandon a 30-year old separation of tax rates between the domestic and the international business sector. Guns have poured into this country in the last five years and we now have a problem, as I said, with gun crime not previously seen before. Barbadians are naturally wary. And I've come this evening to say to you that you need not be – 'let us stay the course' because your Government got this.

I would like, sir, to set out where we are along the arc of stabilization, growth and transformation. Because that is what we promised the people of this country. When I use these words, words of stabilization, of growth and of transformation, I am not referring, sir, to just our economy, I'm referring to our society.

The last ten years has proven what almost everyone knew, that our society and our economy are formlessly entwined. They are deep in the foundations of each other,

contrary to what you've heard for more than a decade. Under the guise of some false distinction between economy and society. The last administration so bankrupted our economy with its corruption and willful incompetence, so robbed tax payers, so ripped apart our social safety net, so betrayed the legacy of great founders, that it is our society now that is in need of stabilization; regrowing and being made resilient, and we shall do it.

Sir, the end of this month marks 81 years since this political institution was formed, by men and women of courage, by the Right Excellent Sir Grantley Adams; followed later irrespective of party lines by other Prime Ministers and leaders that 'Stayed the Course'. It is our duty also to 'Stay the Course' in this nation today.

Stabilization, growth and transformation are not three separate steps; they are interconnected. We cannot grow without first stabilizing, don't fool yourself. The longer our dollar remained under threat, the more foreign investors sat on the sidelines and the jobs and confidence just did not come to Barbados. As long as a debt loomed, a debt default loomed over our heads, banks became more reluctant to lend in this country. And as long as the Government held on to hundreds of millions of dollars of your tax refunds, tax payers started slowing down their payments, government agencies became starved of funds and incapable of performing the basic functions, and you know it, of running the buses, collecting garbage, maintaining roads, fixing the pipes, fixing the hospital, fixing the schools and defending the borders from the entry of guns.

Mr. Speaker, we cannot transform our economy until we have growth and we have said so from day one. But stabilization, growth and transformation are more linked than just that. We cannot stabilize independently the way from where we plan to grow. Our grandparents told us, sir: Start as you mean to continue. Start as you mean to

continue. And so, the commitments that we have made as a Government, as we started our stabilization efforts from month one, were efforts continued to be what would propel our transformation as a nation.

That is why it is bewildering to go searching for things to criticise, a lot of what I have come to call the atmospheric noise. We hit our budgetary targets by cutting expenses, while also investing in education, in health care and in welfare.

We cannot cut our way to growth, Mr. Speaker, we said it over and over, in Opposition and we said it since we became the Government. There is no point cutting those investments that will help fuel growth and transformation. The Government is about careful, considered choices, choices that weigh where we are and where we need to go, choices that prepare us for the long and arduous journey ahead.

And I have said throughout my political career, government is about choices. And the choices that we make as a government must be clear and precise and send to everyone an understanding of what we want to achieve in this country.

It is why, sir, while we hit our debt limits by restructuring expensive debt, we also borrowed low cost debt to repair the critical infrastructure in the country that needs repairing. It is why, sir, we are not just shifting the level of taxation, but it is the mix of taxation, from direct to indirect taxation, so that we may spur economic growth in this country by allowing people to take greater ownership of how they spend their money.

But what we must not do, Mr. Speaker, and those who know me well know this, what we must not do is to blink, to forget the prize and to give up too soon. In all, sir, I say again, and you will hear me throughout this speech say, we must stay the course.

And what does that mean? What does that mean to the fellows out there I just stopped and talked to in the street coming in here? Or to the old ladies who hugged me

and wished me all the very best as I walked in here. What does 'Stay the Course' really, really, really, really, mean?

Sir, the economy isn't any different from when you have an infection and you have to go on a course of antibiotics. You start to feel better after three or four days and you say the temperature is down, I really ain't feeling the pain as intense and I was feeling it. The fever going and I feel I can stop taking the antibiotics. The Member for St. Philip North will tell us that would be mad. We can't stop taking the antibiotics in the middle of the course, because the underlying symptoms are still there. Or God forbid, you certainly cannot go and drink a hard drink, 'cause you really then don't want the antibiotics to work.

The diabetics, a lot of diabetics in this country stop taking their medication when they start to feel better, which is the exact time that they should be taking the medication, Mr. Speaker. And then next thing, lo and behold, they got renal failure, kidneys break down. The very time they should stay the course on the medication, they stop taking it.

Mr. Speaker, sir, just as we would say to our loved ones who are in the middle of an acute illness who start to feel a little better, hold tight, it won't be much longer, take the medicine, stay the course, all will be well; but you have to 'stay the course'. And that is my simple, simple, simple, simple message to Barbadians this evening.

'Stay the course'.

And why, you ask? I told you already, we can't recover a lost decade in ten months or even five years. I am not going to fool the people of this country. We are going to try for seven; and if we make it in seven and we recover what we lost in seven, we would be feeling almost like Usain Bolt. But we can't do it overnight and we knew it,

we saw the signs breaking down on us. Institutions imploding. No integrity of data. That is perhaps the hardest thing my Government has now to face, that we don't have reliable data across institutions – statutory owned corporations or Central Government. And that we are using this time to build back up the data because it requires sound data to make good policy decisions.

So, Mr. Speaker, 2025 has to be that date for the nation; 2025 has to be that time that we set ourselves as the point by which we not only recover but we in fact have moved on from the decade that we've now lost. And that is the 2025 that we want to see. One which our pride and industry has been restored. One where Barbadians can expect that their children can come home on an electric bus that is providing regular, affordable and safe public transport.

One that they go to schools that are well equipped and safe. One where our teachers, our master teachers will be inspiring our children, curious children, excited and unconstrained in the ambition for life, seeing themselves as global citizens but Bajan to the core. One in which, Mr. Speaker, Barbadians will feel a sense of command of their lives, of their security and of their safety. Safe in their jobs, because the unions continue to do the job that they have to, to protect them because we've come out of a labour movement.

Safe in their communities because we understand that it takes a village to raise a child and that we are not going to allow children to be abandoned and find themselves then becoming a threat and a menace to the very communities which ought to have raised them. Safe in their homes because a home is a man and a woman's castle.

More will be confident that the education and training in 2025 that they have received can have them a great idea, that they can develop that idea here, fund it here, and export it to the rest of the world.

Mr. Speaker, just like young Barbadian Carlton Cummins, a man, a young Bajan in whom we should be immensely proud, who is now working with us to bring the production of his world-beating innovation around long-life, reusable batteries to Barbados so that we can be a global leader in the production of these re-useable batteries. A Bajan born 'bout here, but who needs the opportunity of bridging him with the capital that is necessary. And the world has already seen what he has done and has celebrated him through multiple media internationally. But unless he 'stays the course' and unless we 'stay the course' with him, a wonderful idea will only be a story to tell to his grandchildren rather than an asset that will grow hundreds of millions of dollars and change the lives of ordinary people, because batteries which now have a shelf life that is limited, can now be extended at affordable rates and make a complete difference to poor, to rich, people across the world.

In the near future, sir, we want a 2025 where Barbadians can be secured that if they fall ill in this country, that they can go to a polyclinic or a hospital and get the best health care and that it is affordable. We can't do everything, but we can do a lot more and do it better than we are currently doing. And we must never, ever cause Barbadians to feel that the circumstances of their birth will preclude them from the opportunity of getting the best solid health care. That is what we are working towards by 2025.

We want a Barbados where people know that if they fall on hard times and you got to change your career midstream, that we have a Government and a Private Sector

and a labour movement that is committed to our retraining; that retire doesn't only mean R-E-T-I-R-E, but it also means R-E-T-Y-R-E. Because people are living longer and better and healthier.

We want a Barbados, sir, where low income housing in the Pine and Wildey, in Silver Hill and Gall Hill, in Deacons Farm, that the level of density in these areas and the Ivy, can be reduced. So that instead of people living and falling down on top of each other and three and four generations living in a two by two, which was built in the 1950s for two generations, that we would now have the ability to reduce the density and allow these people to live normal, fulfilling lives in dignity.

We want a Barbados Mr. Speaker, above all else, that there is social safety net that is not abused in the way that the last Government kicked about the NIS. Putting it at risk of being able to play that role for you and me and everyone of us when we most need it. We want a Barbados, Mr. Speaker, above all else, where you do not have to know somebody, a high up, to call a shot for you. We want a Barbados, Mr. Speaker, where you don't only have a piece of the rock, but you can get a piece of the action because we are masters of our own fate, and we will share the bounty among those who share the sacrifice.

Never to be defined by the circumstances of our birth, because two, three generations ago all of us come off the same train – one got on a little earlier and you want to play high and mighty over the ones who ain't get on yet? Not with this Barbados Labour Party Government.

We, Mr. Speaker, also recognise that in today's world which has become very, very, difficult, that no one owes us a living. And that we have to imbue in our children a sense that while our only commitment is to take care of one another, to hold up each

other; nobody from outside owes us a living. Even the ones that did injustices to us forget 'bout us sometimes. It's true. It's true.

So that we have to stay focused and we have to recognise that we set out for what we want to achieve and that we cannot be deterred by obstacles.

As a young person coming up, I had a cousin who told me, whenever you see an obstacle, don't let it stop you; go through it; above it; under it; over it; but whatever you do not let the obstacle stop you. And that is what I heard from those young Barbadians yesterday who have gone through the Prince's Trust Programme and I thank His Royal Highness, for being able to allow these young Barbadians to gain a sense of confidence and self-esteem. The truth is, we need it not just in the Prince's Programme, but in the "Blockpreneurs" Programme and the Building Blocks Programme and the Oasis Programme and all of these programmes that are necessary. That our children at primary and secondary level feel that sense of confidence and recognise that it is not a straight line. History is not a straight line. This nation's development, as you will learn this evening, is not a straight line. But it doesn't stop us from pressing ahead.

And I know that the bishop who sits opposite me more than anyone else understands the power of faith and that we must walk by faith sometimes and not only by sight. And that we do that because there are times when the challenges seem too heavy. But I know from the path that we have walked and I know from my own faith that we can always overcome the challenges. We must hold the line and we must 'stay the course'.

Mr. Speaker, where are we on this journey? Truly. Where are we?

As I said, we have further to go, but we're deep into it; we are no longer on the foothills anymore, we have left the base camp and we are climbing up the mountain.

Today, we are preparing to depart from the era of stabilization on to the pathways of growth and transformation.

In our manifesto, sir, and you will always remember, Ambassador Mascoll said to me: You know, you don't ever stop anchoring everything in the Covenant of Hope and the manifesto. And there is a reason for it. I know what it is to sit in the gallery of this Parliament and to hear a political party say that a manifesto after 1991 was not a social contract. The member for St. Andrew and the member for St. George North would know what I am talking about, and the member for St. Michael East. And I understood what that statement did to destroy the social fabric and the quality of trust in our country. And from that date on I understood -- and that's probably why, sir, I'll go the extra mile to make sure that we build trust. That it's not about transactions, it's fundamentally about building trust as a people and relationships as a people.

But in our manifesto we told the country for the first time that we were dividing what we wanted to do between mission critical areas and transformational areas. We weren't fooling you. We said that there were some mission critical things, that if we didn't do it the patient would bleed out. I had to do it and, Mr. Speaker, I am happy that we have lead a government that has kept faith with these areas. There were three main paths for stabilization that were absolutely mission critical: Rebuilding our foreign reserves; dealing with our debt; and, helping ordinary people to live in this country.

Over the past ten months, Mr. Speaker, we have pulled the Barbados dollar to safety. As of today, our reserves have risen from just over the \$400 million that they were when we inherited them at the end of May, last year, at its lowest point, it was actually down to three hundred and change in March. But from the four hundred million odd we inherited, today our reserves stand at \$1.1 billion.

In our manifesto we set ourselves a target of pulling those reserves up to 15 weeks of import cover. Mr. Speaker, sir, I am told by my economic advisers that we shall hit that 15-week import cover in the next few days on current trajectory.

Mr. Speaker, sir, fundamental to the long-term recovery of our reserves has been the determination that we must end deficit financing.

The Member for Christ Church East Central came to my knowledge through his famous article on why and who Barbadians were – that between 1955 and 2007 we ran a fiscal current account deficit only five times, in 52 years. Never two consecutive years and never more than \$20 million. And then came the days, the deep dark days of the last decade 2007, '08, '09, '10, '11, '12, '13, '14, '15,

'16, '17. And thank God for '18 and the Barbados Labour Party Government.

The Government is no longer paying for its expenditures by asking the Central Bank of Barbados to buy its bonds with printed money. That, Mr. Speaker, has ended. And why did we need to end it? Because those printed dollars, Mr. Speaker, were not backed by foreign exchange. They were almost like monopoly money. So that when you go to buy paper, phones, clothes, food and all of these things being imported and you buying it in local dollars, 60, 70 cents in every dollar you are spending going back out to buy the imports. How you gine pay for them after a while? And that's why the reserves were drawing down, drawing down, drawing down, drawing down, to when they got near to \$400 million.

Mr. Speaker, sir, those days are over. Those days we say goodbye to because it was nothing more than utter insanity.

Sir, to restrict the capacity of the Central Bank to engage in the financing of a fiscal deficit in the future, my Government amended two pieces of legislation in July last

year, we amended the Financial Management and Audit Act and we amended the Central Bank Act.

Mr. Speaker, do you understand that in July last year there was no IMF programme. In July last year there was no Domestic Debt Restructuring. But we had the confidence in ourselves, the confidence in our Government's ability and our adviser's to know that we had to bring down the ways and means. Just as a previous Barbados Labour Party Government in 1994 took a 17.5% overdraft and brought it down to 10.

This Government in July, less than three months in office, brought a 10% overdraft limit down to 7.5% percent without knowing about any IMF programme or any debt restructuring because we knew it was unsustainable and we could do better.

We also, sir, for the first time asked the Central Bank to be subjected to parliamentary oversight on the issuance of primary securities and linking it to a quantum of a prudent expenditure. That they shall not issue securities in excess of 10% of current expenditure. There was not parliamentary oversight. Our voices went like wolves, lost wolves in the wilderness.

People did as they like in the large towers, the high towers, carrying Central Bank's debt from zero in 2008, to \$2 billion almost. I didn't say million; \$2 billion dollar in government securities, virtually in this country. And, Mr. Speaker, we have stopped that by providing for parliamentary oversight in this Parliament within less than three months of being the Government.

In Jamaica the limits were at 30% for overdraft, ours is at 7.5%. In Jamaica the limits for primary securities related to expenditure are at 40%, ours is at 10%. You judge for yourself, Mr. Speaker.

Secondly, sir, at the same time we removed the right of the Board of the Central Bank to do these things, sir. We also believe that there was need for a domestic debt restructuring and a foreign debt restructuring. And by swapping expensive borrowing, to very low cost borrowing rates available from the IMF, or CDB, or IDB, or CAF which is the Latin American Development Bank. We were swapping out high borrowing rates for low rates 'cause it makes sense, Mr. Speaker. It makes sense not only for your households or the household of my constituents, it makes sense for the country of Barbados.

As a result, we completed the domestic debt restructuring that covers approximately 80% of our debt last November. As a percentage of GDP, Mr. Speaker, it was one of the largest debt restructurings in history. Our interest payments are now affordable. Our debt level has fallen from 170% of GDP, the third highest in the world to now, about 125% of GDP under this Government, in ten months. And we, sir, are targeted to bring that to under a 100% in seven years, a target that we set for 2025 and seven years after that we believe that Barbados can bring it down to 60% percent where it ought to have remained and never to be taken from by the last administration.

Mr. Speaker, the external commercial debt restructuring which covers about 15%, sir, of our debt is not yet completed but we are near. We always knew that the commercial debt restructuring the foreign one, would take longer because that debt was issued under foreign laws not domestic laws.

We've also, sir, embarked of a process of renegotiations of expensing an untendered public contracts, focusing primarily on the Sanitation Service Authority and the Barbados Water Authority and other SOEs where these large contracts existed. Sir, we expect that these negotiations alone, will yield about \$25 million in savings a year

because we believe that the sums were excessive and we simply cannot carry those costs at this time. Indeed, sir, two-thirds of those saving have already been agreed, indeed the Minister responsible for sanitation brought me yesterday the term sheet that will see the SBRC contract move from effectively \$24 million to about \$10.9 million a year for the next few years. A significant amount of savings for the sanitation savings authority. And I want to thank them for allowing me to meet with them last week, I'll come to that shortly on the rubbing shoulders.

Similarly, sir, the Director of Finance and Economic Affairs negotiated at the new Vaucuse Headquarters of sanitation which have not yet been occupied., savings of \$21 million over the next 20 years in the payments that the Government of Barbados would have to make to rent that building. Mr. Speaker, it is ridiculous. And indeed, sir, that building still has a lot of retrofitting to be done because in the retrofitting we are going to have to replace the carpet tiles which are inappropriate for the purposes for which that building is being used in order to make it habitable. We wondered what was the primary motivator of all of these buildings but I believe that we've discovered, Mr. Speaker, we cannot renegotiate contracts and leave them one sided. We have, we have, we have to enforce fairness in the negotiation of our contracts and we have Mr. Speaker to get to the point where the level of steel in the deal does not cause corrosion in the treasury or rust.

Mr. Speaker, similarly we have to enforce Public Sector wide procurement rules and create a proper training framework for negotiators – a college of negotiators. And these are the things that will keep government expenditure down. Our government is now for the first time paying its bills on time and running current. Something that the last government did not do for years.

I want to say, sir, value added tax and other tax refunds for 2019 were being sent out. It is a sad reflection of where we have gotten under the last administration. Like, getting a cheque in the post from the Government of Barbados caused shock and awe to many in this country. When the refunds went out in November last year people could not believe that they were getting tax refunds for the year in which they filed their income taxes in the same year or VAT refunds that they had filed earlier in the century.

Sir, but we did it. Alongside vigorous efforts to make ourselves fiscally fit, we also give priority to social justice, to helping people to live in the mission critical issues and to protect the most vulnerable in order to stabilise our society. So it wasn't only the debt, it wasn't only the foreign reserves. We told the country that we must also help people to live, simple. And what did we do? After not giving public servants a pay increase for nine long years; nine years in which the cost of living had risen significantly, we gave a 5% wage increase to public servants last year from August 1st. They said, Mr. Speaker we couldn't do it but we did it. We introduced tuition fees for Barbadian students at the University of the West Indies from September last year; bringing financial relief to thousands of households and giving hope to young people in this country. Mr. Speaker, they said that this government could not do it, but we did it.

We raised the minimum non-contributory pensions from a \$155.00 to \$225.00 a 45 per cent increase. In addition, the minimum contributory pension has been raised twice since then, since elections; in July last year and in January of this year. Mr. Speaker, they told us we could not raise the pension for the old people; they said we couldn't do it, but we did it.

We paid the Reverse Tax Credit, Mr. Speaker, for \$1,300.00 for those earning less than \$18,000.00 and were paid in September last year.

We introduced, Mr. Speaker, Trust Loan programmes, taking \$10 million and making it available to ordinary Barbadians who cannot borrow from the bank or Credit Unions easily, but who need to be able to live; need \$1,500.00 or \$2,000.00 or \$3,000.00 to buy things and materials to be able to start a small business to support themselves and their family. They said we could not do it, Mr. Speaker, but we did it.

We boosted our welfare budget, sir, by 5 million in the last nine months, a 33% increase. They said we could not do it, in fact, many of the years when we used to ask the last government, don't give them 15 million in benefits raise it by five and give them 20. They didn't do it. They said we couldn't do it, but we did it.

Mr. Speaker, sir, we made immediate temporary progress with repairing the South Coast Sewerage System and even the problems that we had in Bridgetown. I thank the member for Christ Church East; they said that we couldn't do it – that we didn't have the time to put anything in place, while we have not only done it, but we have started the process towards a permanent solution. They said we couldn't do it, but we did what? We did it.

Mr. Speaker, I am going from Ministry, to Ministry, to Ministry, to Ministry, to Ministry because this Government works.

They said, Mr. Speaker, they wondered about the roads. Potholes were deemed a transitory inconvenience. Mr. Speaker, we can't fix all at once in an abracadabra moment, but we can fix them, and we can stay the course of fixing them. And this Government over the next few years will add to a hundred and thirty-million-dollar capital works programmes because we see that only as the base.

And I thank the Honourable member for Christ Church West too. Mr. Speaker, we knew it would be difficult to help people to live. I ain't fooling you, we knew.

It wouldn't be easy, but, Mr. Speaker, we knew we could do it. And you know, it wasn't always easy. Very regrettably some Barbadians have lost their jobs over the course of the last few months; and there are very few left who will lose theirs. This process was difficult especially so for me, sir.

And I told you already, over and over, that this is perhaps one of the most difficult things I have ever had to do in my life. No fooling – one of the most difficult things and it kept me up at night; many a night.

But making the tough decisions, sir, is what leadership is all about. You might have to lose a toe sometimes to save a foot. Bajans know that. And we have to be prepared to understand that life doesn't always move in a straight line, nor the history or the development of a country, but what we must always do is to give people the assurance that if we act now there will be light at the end of the tunnel for all.

We have tried, sir, to ease the pressure on those workers who have been laid off through the establishment of a Household Mitigation Unit which has worked in conjunction with other Departments in Government and the Private Sector to resettle some of the displaced workers and to retrain them, whether in jobs, whether in access to incentives or land. We will do it. And, Mr. Speaker, we cannot do it all at once now, but I have given this country the assurance that my Government will seek to replace as many if not all of these people as long as there is breath in my body.

And that is why, Mr. Speaker, I asked the government to make sure that when these persons went home, they went home with what was due to them, virtually all of them. Because I lived through the days in that Opposition Office back there, when

people who were laid off in 2013 and 2014, did not get their payments for two or three years. People were reduced to the indignity of having to go to an Employment Rights Tribunal in order to claim what is rightfully theirs. I have instructed the Attorney-General, only the other day here, that we need to remove that objection in the case with the appealed of the people with the BIDC. It is wrong, it is unfair for government to act in an onerous manner against the people in this country.

I was to talk at the NUPW tomorrow evening and I would have told you that then, but since I have to be here to listen to the Honourable Leader of the Opposition, the Honourable Minister of Labour will attend for me, and if he finishes early, I will come and join you after. But the bottom line is, we must do right. Not only for legal reasons but because it is morally required of us as a government.

Mr. Speaker, I've said in here over and over, that if we did not restructure our debt we would have had to send home ten thousand workers. Do the numbers. If you are saving almost \$500M in interest and central government wages bill is \$750M, and you've got about 16 thousand workers in the central government, how much do you think we would have to send home? And that is why I came here to talk about staying the course, you know. Because we have shielded Bajans from the worst of the moment, from the worst of an IMF programme. Some people feel that it is easy going and that we can just move along. Remember that diabetic patient; remember that person on antibiotics. I can only tell and give this country my best and honest advice – to the private sector, to the unions, to the people, to my own cabinet, to my own MPs – because everybody always want something. It's like having children, I would imagine, every child wants something more than they can get.

But as I said to the sanitation workers last week, and to the Transport Board Workers, and to the LIAT workers, 'you can't always give your child what they want, when they want, how they want and that sometimes you have to say hold tight: Mummy can't do it today or daddy can't do it this week. But then there are times when you want to surprise them, and you stop short and you give them something that you know that they wanted for a while, and you give it to them and you see the joy in their face.' This country is no different. If we had inherited a better situation, life would have been much rosier, but it is what it is. It is, Mr. Speaker, what it is.

Mr. Speaker, sir, this is not the first time Barbados has been a through a recession, but it is the first time that a government has insisted on sharing the burden in the recession with everybody; '74 to '76 it was the workers, predominately, three-day work week and crash programmes. I see gentlemen and ladies in the gallery that I shouldn't see, who know it better than me because I was a nine or ten year-old child. 1981 to '82, IMF programme, 1991 to '94, perhaps the worst of it all: 4,500 workers went home, 8% pay cut. But this crisis is actually worse than then, because this crisis is not only a foreign exchange crisis but it was a debt crisis and a crisis of the capacity of institutions to recover and to earn both in the private and Public Sector. This has come the closest to bringing us to our knees as a Nation and as a people, and I say to you, sir, that in spite of that our Government said it cannot be the workers alone. And I want to record proudly as leader of the oldest labour party in the English-speaking Caribbean, that we did not put the burden on the workers alone.

We asked those who are owners of capital. We said to the banks, 'you have earned profits in excess of \$1.5 billion, the five of you over the last ten years'; we said to the insurance companies, 'your gross earnings were in excess of \$2 billion.' You have to

come to the table and carry some of the weight. We said equally, that it can't only be about domestic residents, that some of the visitors who helped put the burden on the infrastructure of the country, must help us pay a little of the load because when all is said and done, we have more than twice our population as long-stay visitors with us every year. And almost three times our population visiting us as cruise ship visitors when the day comes.

So, Mr. Speaker, the very simple principle of sharing the burden fairly is what has informed the work of this government. And if I appear to be repeating myself, Mr. Speaker, it is because I don't ever want us to forget that the burden was shared fairly because when the time comes to share the bounty, it must equally too, sir, be shared fairly.

To make sure that we don't do this is again, sir, or to make sure that we don't do as a former Prime Minister, Sir Lloyd Sandiford said, or for anyone else, for that matter, say you should never ask again: How did we ever get back here?

My government introduced new legislation in January of this year, Public Financial Management Legislation to bring greater levels of accountability to our Parliament and to the executive, giving new powers to the Director of Finance, of putting new obligations on the Minister of Finance, recurring mid-term reviews and reports. You can't just act because you are the Minister, you are acting in the name of the people of this country.

And, Mr. Speaker, sir, we equally didn't stop there. Before the select committee is an Integrity Bill that we believe will improve the quality of accountability and the integrity of public officials in this country, and we eagerly look forward, before the middle of the year, to that select committee reporting to this Honourable chamber; but my

government didn't wait for that. We required every single Minister to do a declaration of assets which the Cabinet Secretary holds now in escrow as a condition for service in the Cabinet of Barbados under my leadership. Mr. Speaker, sir, this is because we are serious. But we recognise that these things do more than just stabilise; these things help to inspire confidence and confidence is the precondition, the essential precondition, to growth in this country, but we are not yet there, so I say to you, 'stay the course'.

Mr. Speaker, sir, you know it is easy, and I want to say a few words about what comes next. It is easy for a Parliament -- for a Government that won all 30 seats, yes, all 30. Some may say that we have been given the benefit of the victory but removed of the burden of government by having a leader of the Opposition. But the bottom line is, sir, it is easy to say that a Government that wins as many seats as we won could become aloof and superior, but not in this party and not ever under my leadership. We know that the reason we have been able to achieve more in ten months than what the last Government did in ten years is that we have done so through listening and dialogue, and continuing to rub shoulders with the people of this country. From the very first morning on May 28th, we met with the social partnership three times that week and we've continued to meet with them as recent as Saturday and Monday last week, not the sub-committee, the full one.

Many of our problems in this country, sir, will be and can be resolved through the Barbados Economic Recovery and Transformation Plan. And many of the problems of the country have their root problems and a lack of empathy, a lack of caring created by an absence of dialogue, people just not talking to each other. Under the last Government, sir, we have become a small Nation with small conversations.

Never again shall we return to that.

And beyond the social partnership, sir, we've taken it to talk to people beyond. Last week, sir, we believe that we go to listen and to talk. In the last week we met with LIAT workers up to midnight on Monday night; we met with Sanitation workers at 6 o'clock in the morning on Wednesday; and we met with Transport Board workers for four hours on Friday. That is how we rub shoulders and govern; through national dialogue and conversation. We will return our country to its rightful place, and together we will try to untie the Gordian knots that previously tied up this country. This is not a passing exercise, this is what we call participatory democracy.

You saw it in the survey last year, more than five thousand Barbadians participated in what was essential; what was optional and what could be done. Mr. Speaker, sir, they spent more than an hour filling out those surveys, unparalleled in modern democracy, as a percentage of the population. That is who we are, special as a people.

Mr. Speaker, sir, we change the structure of the Estimates Debate in this Parliament, bringing before you Ministers and Officials, and others doubted what we were doing and questioned it and the atmospheric noise, and the writings continued but, Mr. Speaker, we know what our duty is to the people. And I ain't just saying so, we know it.

Mr. Speaker, sir, this is also partly a process of reducing political interference by removing from debate things that ought to be discussed soberly by a Nation sharing the information, letting them know what are the considerations we have to take into account in solving problems. But if you come in here only to make speeches, then people don't have access to the information, and that is why even in this speech, I am going to talk to

Bajans about some issues that are facing us. And if I talk a little long this evening, I apologise. I promise I wouldn't do it for another year, but I have to do it today.

Mr. Speaker, sir, participatory democracy is about us also; and the member for Christ Church South will chair a commission, which we have assembled for these estimates, because, remember, this is not just a budget debate, this is the debate of the Appropriation Act, reviewing the estimates of expenditure and revenue as a Schedule of the Appropriation Act. And in that Schedule, there is provision for the member for Christ Church South, to chair a commission on local Government and local governance in this country, because we believe we can carry the participatory democracy greater to the people and allow people to have a greater say in the affairs of this Nation.

Mr. Speaker, sir, we have to promote participatory democracy. It is the only way forward for this country. And I say to the public servants and to the Ministers, we can't do in three months what we must do in three days. And I will always lead from in front on this, that nobody owes us a living, and unless we get it right, I pray, if we don't get it right, we are not going to be able to see the glorious heights that we should see as a Nation, and that I know we can see as a Nation.

Mr. Speaker, sir, we also changed the timing of this budget debate, because you must have a better sense between what we spend and what we are going to do to raise money. You heard the last three weeks, most of the Ministries telling you what they intend to spend, but the problem was, sir, that you would do this in March and then in October we would come here and talk about how much money we want to raise to close a budget deficit that started in March; if we were lucky to come in October because some times we went November and January of the following year.

If the public loses connection, sir, between why Governments raise revenue, they will not be able to make good judgments or decide to 'stay the course'. We are linking the two. This is your money, this is how we will spend it and if we are a little short this is how we will raise it to make sure that we are accountable for doing the things that you want us to do in your name.

In the covenant of hope, I said, "You must never doubt how we will spend your money." Page 26, Pools of fiscal Governance. You must always know what is the hierarchy of claims on public expenditure in this country: from security, to affordable access to health care and public health protection, protecting the vulnerable through education, and empowering them to deal with public spaces, roads, gullies, beaches and oceans. To dealing with the productive sectors because if we don't have enough money to do all of that through tax and spend, we can use Empowerment, Legislation and facilitation investment to help the productive sectors as we are doing, and then, of course, to protect the rules of sovereignty as it relates to the integrity of the Nation state and the integrity of our foreign trade policy.

That is what running a Government and a Nation is about. And if I repeat it over and over it is because Bajans must never forget such, that they allow the lawlessness and the madness that took place for a decade to substitute itself for Government in these hallowed walls. They must never do it because you know what good Government and good fiscal governance is about.

And they tell me, sir, as I am sure, that the leader of the Opposition will say again that I have assembled a big team. Well, sir, we are dealing with big problems ... I have assembled a big team because there are big problems, and I've deliberately taken the time this afternoon, not to deal with the current problems of today but to carry you through the

last ten months, because you need to understand what your Government faced upon assumption of office. And what was critical was not only having a team with the experience, but the timing of intervention, because if you don't intervene in the correct time period, you will bleed out. If you don't intervene with the correct skills, if you have somebody who is supposed to do surgery on you and instead of going for a surgeon, they go and bring a man who is accustomed to chopping wood; he cuts too but he doesn't cut stomach and blood vessels, he chops wood. You can go for a man who is accustomed to cutting animals, and killing animals, but he is a butcher. And I always remember the former member for the City of Bridgetown telling the former member for St. John one day — Chalkie (Mighty Chalkdust) say if you don't laugh, you will go mad and write your own epitaph — when the member for St. John told the member for the City of Bridgetown "I love you.", as he professed his love from the Opposition benches to the then Leader of the House, the member for the City. And she got up and she said: "Mr. Speaker, 'Yes, you love me like how a butcher love a pig.'" [A little levity, sir.] But the point is that you can't bring a butcher or woodchopper to do a surgeon's job.

And what we have tried to do, and I have said, we will be accountable for the decisions that we make. Because what the people of Barbados want is success as a habit, a performance, and let us not fool ourselves – we live in a complex world, and we need people who understood and understand how to do it and how to do it in good time. Mr. Speaker, sir, I have assembled a team of advisers as well, and I am not going on the back-foot for it, because if I can get the best skills internationally and regionally and do in two-twos what would take the last Government ten years, and they still can't do it, then you get the record of the last ten-months for this administration. I thank my advisers and I

ask them not to be cowed down and not to be intimidated by the unfortunate and sometimes vulgar comments.

And I want to deal White Oak, because there is nothing to hide. You had a last Government and I would bring you in here today: contracts yet again signed by the last Minister of Finance, never made public before. We had to beg and beg for Sandals contracts, never made in this House, and I come in there and asked the Minister in the Ministry of Finance to lay on the 18th February White Oaks contract. Well, these are the facts: you cannot do domestic debt restructuring of \$9 billion and foreign debt restructuring on another two and a half billion dollars without getting people who are experienced, who know how to do it, they are the best. Oh, we didn't start doing this as a party now. When I was Attorney-General we ran into problems with Trinidad and Tobago and we went and we got the best lawyers in the world, not in the Caribbean. And we got the best arbitrators in the world, and everybody told us you couldn't get in and out in under a decade or without spending tens of millions of dollars. We got in and out in less than two years at a cost of \$6 million, getting 99% of what Barbados had argued for 30 years under Bree St. John and Henry Forde and others, and we got it in less than two years, by assembling the best possible team. Even in cricket you want the best possible team. What am I hearing at all? When you go to the hospital you want the best surgeon. And let me put it in context, sir, because I only know how to play the ball straight, that is the truth.

Separate from their retainer, their success fee is 0.45%. I want to repeat it, 0.45%. To put it in layman's terms if you went down the road, the Honourable Leader of the Opposition, if he went down the road and found a Grantley note and he came and brought it to me as leader of this party, you mean the least I could do is give him 45 cents and tell

him: Hold on to that star, thank you for finding the Grantley again, hold that 45 cents. Forty-five cents, that is what 0.45% is. Not a dollar but 45 cents out of a hundred dollars and the sad thing, sir, is that it is not what they costs us, it is what they have saved us as a Nation.

Small conversations belong to small Nations. This Nation is not a small Nation, and I would only say to His Lordship, that he, better than I knows that even in churches the standard of gratitude is not 0.45%, it is a tithe, it is a 10%. So that if I was treating to him now as His Lordship, the Bishop, I would have to give him \$10.00 and not 45 cents, as that would be what his congregation would have to give him.

Mr. Speaker, sir, but the member for St. Michael West and I both know that even the tithe we give willingly, but the Democratic Labour Party lawyers were charging 30 % and 40%, so they were collecting the hundred dollars -- but let's put it as a \$50 note because they would have difficulty collecting a Grantley from us or anybody. But they were collecting 30 and 40% and doing nothing for this country, nothing, nothing. And what is White Oak doing for us? The settlement of LIAT, not a cent more from the Government of Barbados but the Government is the largest shareholder in LIAT. The renegotiation of the SBRC contract that will now save us \$13.1 million a year. The renegotiation of contracts at the Water Authority in which they are still deep in negotiations. The training and the big one that I will share with the Parliament in a few minutes, the settlement for CLICO, once and for all after a long sordid decade.

So, Mr. Speaker, if we take the blame for a large cabinet on many advisers, I take it, because for me I have known what it is for people to call me all kinds of names and say all kinds of things about us for the 30 years.

And if I had every leased space in my head to them, if I'd ever leased space in my head to them, I would not be here today and I only say to the young people of Barbados, 'take courage', because people speak, because they have the ability to speak, but to thine own self always be true and know that you are doing the right thing.

Mr. Speaker, let me move on now to some of the important challenges that this country faces and I really apologise for taking the time to do these things but I believe that this is an important moment in our Country's time that requires serious conversation. The issue that I am sure, sir, as I said, that is of greatest concern to Barbadians, is the escalation in gun-related violence. It is a scourge we will not ignore or we would not tolerate, and we have already begun taking steps to counter it, as I said, we will do all in our power because many of the people who are getting themselves in trouble are between the ages of 15 and 25.

I have already asked the Ministry of Education to prepare a list of all the students who have been superannuated, in other words, sent out of the school at 15 and just turning 15 or 16 in the middle of a year, or at the beginning of a year, because we cannot leave them out there to flounder. These are our children, these are our sons, these are our daughters and we have to find ways of correcting them if they are going down the wrong path. We have to give them the hope that tomorrow can be a better day.

On the campaign trail I said over and over, my biggest fear was that we had too many people in this country who had left school in the last decade and have never worked for the first six or seven years of their life. They don't know what it is to get up at 6 o'clock in the morning or 5 o'clock in the morning and go to a job; they don't know what it is to have to be disciplined to curb your tongue, to understand that you just can't act as you like, when you like, how you like, if you like. Life doesn't work like that; and

we used to teach our children better, but somehow or the other the Ministry of Youth Affairs became a farm – a farm for feeding caterers, and the \$5 million that we used to spend in training young people in cultural and sports training went instead: three-quarters of it to paying caterers and the member for St. Michael East even ended up in the dock in the court system because of that whole madness and sordid history in the Ministry of youth affairs with those Summer camps, Easter camps and Christmas camps.

Mr. Speaker, sir, I've also asked that the Social Sector Agencies be given a list of those youngsters who may need help because over a period of time, through suspensions or expulsions, we need to make sure that they are first and foremost the beneficiaries of some of the initiatives that I will talk about later in my speech under the Growth Strategy, the first for job initiatives and the training.

Mr. Speaker, sir, we know that this problem is as deep as it is broad and there is no single or no magical solution, but we have to both boost law enforcement and deal with our society at one and the same time. And it is for that reason that this Parliament voted the sum \$5 million – \$2.5 million for sport training; \$2.5 million for cultural training in the next 12 months – as well as a separate sum of money for block projects in the Building Blocks Programme, because we have to go there and work with our young people. When we launched The Gathering, I was so proud to hear how those young people spoke about it, that young boy, Mr. Khothdiwala, spoke about how we have to reach out to the people on the blocks because this is our family. This is our family. No foreigners, but we have to be firm with them too. And they are the first ones I must tell you, who tell me 'bout: "Mistress, the order set." I said, "What you mean?" They said, "The order set."

So if they understand order among themselves, you mean we can't make them understand order in the country too. That how it has to be, the order is set, and Barbados must be a safe place for all of us.

Similarly, we have said in our consultation with social workers that each social worker must be a first responder, because our mission is a common mission to save families. Because if we can save families in this country, families will save their own in this country. And parish by parish by parish, we must set ourselves the mission over the next five years of saving at least thirty families per parish with the exception of the more populous ones, like St. Michael, St. Philip, St. James and Christ Church where we must save at least a hundred families. Because if we can do that in the next five years, I tell you this would be a different country for us to live in and one in which we can tell the proud story of how we turned it around as a people.

The police have to be given the best resources in technology. How do we have police still handwriting/long writing in black lead? But then when they leave the station they pulling out a phone and talking to their families in the States or in Canada or England and looking at them: And saying, "Look what I got on today." That's what we can do with phones. But we still keep our Police Force trying to fight a digital war in an analogue age. It can't work. They can't even collect information on accidents properly and I know that the Honourable Attorney General is now leading the effort to be able to reform all of those things that we were left endured by a former Prime Minister and a Former Attorney General for the last decade. They will change.

But we must also give them the most efficient technology overhead too. You cannot fight battles unless there is a clear determination to give people the best tools that they need. And then we must deal with the morale. That is why before this Parliament

risers for Easter, we must face the passage of the legislation to create a Protective Services Commission, because we have a situation where two separate Commissioners of Police made recommendations in a discipline hierarchy to recommend 30 or 40 or 50 promotions, and in one instance, the first one, a Deputy Commissioner of Police pulled rank on the Commissioner. Which other part of the world a No. 2 could trump a No. 1? Unless you are up to nonsense and naughtiness. And then, last year a Commissioner again, a separate one, the current one, sends recommendations for promotions and his recommendations are ignored and a Service Commission chaired then by the now current General Secretary of the Democratic Labour Party elected in August of last year – that Commission produces its own list of promotions.

Mr. Speaker, how can you expect order in a country where that kind of malevolent interference takes place in institutions. Former police officers with axes to grind, in my view, I can't say 'bout nobody else view, I have been a lawyer for 30 years, I have my own observations. That is my view. But, what I do know, is that the same Commissioner who sees when men are pulling extra weight and when men are doing things and makes a judgment call based on fairness and transparency; and he meets with his men and his women every week – looks now as though he has no power. Because, he sends up recommendations only to be ignored by people who don't see how people work day-to-day. It must change. And as we change it and create a Protective Services Commission, all the discipline and hierarchical forces must now fall under that. Fire, Prison, Customs, Immigration and Security Guards, because those agencies or departments all operate on the basis of discipline and a hierarchy and hence the Protective Services Commission will also be able, therefore, to better meet the needs of the Human Resource Development of those officers across the board.

Similarly, Mr. Speaker, we recognise that by doing it – and today is not the day for me to go into all of it now – but by having manageable commissions with manageable numbers, we can get to the task of human resource talent management, rather than just filling out PSC 5 forms and PSC 6 forms and seeing people as a number or a name on a paper, not because that's what the officers want, but because you can't have a few people managing 20,000 people and think that they can do it well. You need a separate Teacher Service Commission; you need a separate Protective Services Commission; we need a separate General Administration, Professional and Technical Services Commission. So that each one has no more than 5,000 or 6,000 and then has their own Secretariat and can treat Barbadian Public Servants in the way that we know they should be treated too.

Mr. Speaker, this is a second reading speech and I said I'd come here to talk with the people of this country. The Social Partnership last week – they will tell you that we have two Committees: one on the structure of work and one on pensions and Pension Regulations in this country for the future. Because we are going to have to make some difficult decisions on pensions, that is one of the threats that we face because it is one of the largest growing items of expenditure. I want to say from here standing, no public servant in Barbados' employment today shall be affected with the adjudgment on pensions. None.

But going forward, we will be fooling ourselves to believe that we can continue the same terms and conditions ad nauseam. We can't. And therefore, we are going to have to set a time-line this year where new Public Servants will operate under different pension rules and where, Mr. Speaker, sir, that it happens because in the same way that it happened with teachers – there used to be a time when teachers used to get Leave

Passage, because a lot of the teachers in the system were coming from the UK: a term's leave. That doesn't happen to teachers who were hired after a certain time. So that the Public Service knows about change and knows about how to manage change in a way that is not disruptive. But if I came here today and didn't tell you what lies ahead of us – health care and pensions, are the two largest growing pains on Government's expenditure in the last few years and we are not going to be able to deal with them this year. But I give the country the assurance that they are on the front burner next year this time.

Similarly, sir, we've also said that the police must also have the ability to be properly trained and we need to look at the whole question of how we deal with promotions and how we deal with training. We want the best students in this country to become nurses, to become teachers and to become police. This is what made Barbados a special and competitive jurisdiction – Public Servants. The quality of our Public Service was stellar in comparison to the rest of the Commonwealth. And if we don't build back up the Public Service, we will not be able to have the competitive edge that we know we should have.

The last Government presided over the greatest exodus since Independence of early retirements: Head of the Foreign Service; the Director of Finance; PS Security; PS Finance; Chief Education Officer; PS Investment -- I could go on and on and on. Not just at the PS level, at the middle levels – on taking and forcing officers who might otherwise take their time to get the experience and training and having them catapulted two and three levels above where they were.

In circumstances, Mr. Speaker, where many still needed time and experience and training. It is not fair. It is not fair. And one day, somebody is going to write consequences of that lost decade.

Mr. Speaker, sir, in the Port – part of the problem with gun crime stems at the Port. The Port under the last Government did not have money to buy scanners but they went and buy a third gantry crane, and the third gantry crane came last week and cannot now be used without us buying – spending money to buy fenders because it can't function. There is no room for the third gantry crane and the cruise ships at the same time. You understand what I just tell you? That you spend \$22 million on a third gantry crane that you didn't need and they let us now preside over a situation in this country where the scanners did not work and you heard the Attorney General in the well of this Parliament give evidence that only 6% of the goods entering in containers were being scanned in this country. And you want to know where the guns come from? We had an Attorney General and the current Commissioner of Police tell us three years ago that they felt that the guns were coming through the Port. But we didn't know that the Attorney General belonged to a Government that gave them a free pass, because that's all it could be. When you chose to spend money on a gantry crane and not on the scanners.

My Government, sir, has now had to agree that the Port Authority will borrow \$41 million to buy, sir, new scanners and geofencing. Over 253 cameras need to be bought and we have procured a new Canine Unit in the Bridgetown Port because when I tell you that my Government is serious about securing this country's borders, believe you me, that my Government is serious about security.

Mr. Speaker, sir, we need to make sure that we have the right priorities and that we do all that is necessary, not just to protect security, but to protect the revenue or to protect the competitiveness. This brings me on to the fact, sir, that there are a number of sites that do off-site clearance. And we have said to those companies: You have to buy scanners if you want to continue to do the off-site clearance. And you have to make sure

that those scanners will be subject to periodic and spot monitoring on the part of the Authorities. And, do you know what they said, Mr. Speaker? They said willingly so, ma'am. How does the last Government let people move off site, clear goods and don't require security to see what goods people are sending in to have cleared. We don't question the integrity of the companies doing the clearance. But you and I both know that people who want to do bad things will try a thing. And you have therefore to reduce the opportunities of crime. The seventh category in the draft National Strategic Plan for Crime and Security that we produced when I was AG, but let me first go to Customs, because if there is one story that perhaps is saddest is how the last Government treated the Customs and Excise Department in this country. This is one of our challenges. And you know the last Government took Customs and Excise and just ignored it.

They had a study in March 2013 from the IMF – ignored. They had study in September 2013 from CARTAC – ignored. They had a study in 2018 last year March – ignored. Well, Mr. Speaker, sir, I begged the IMF come in and help us and we got something last week and we aren't ignoring it. So let me tell you what we've done already.

One, the Barbados Customs and Excise Department became the first Customs and Excise Department to introduce ASYCUDA Plus-Plus in the early part of the 21st century. Mr. Speaker, it hurts me that we are the only country in the Caribbean using ASYCUDA Plus-Plus and one of the few in the world. That is the system by which you clear goods. The rest of the world now uses a programme called ASYCUDA World that reduces the level of discretion that officers can have and predicts and increases the level of predictability and transparency in the system.

This Parliament, two Friday nights ago, voted \$700,000 such that by the end of three months ASYCUDA World would be in place in this country after not being put in place by the last Government for years.

Similarly, Mr. Speaker, Barbados is now using a Customs Tariff Order from 2007 and, Mr. Speaker, sir, since that 2007 Customs Tariff Order, there was one in 2012 and 2017. When I asked how long it would take, could you do it? They told me it would take a man six months to do it; I said, 'well get six men and do it in one month.' Mr. Speaker, sir, it will be finished by the end of March. Thank God.

Government and Governments ought not to be that complex. The NUPW and the BWU will tell you that for years they cried in the wilderness about this notion that you were sending Customs to BRA, and we kept saying Customs is not simply a Revenue body it is also a law enforcement and border security entity and we as a Government committed to what we said in opposition and we are not merging the two.

But equally, we recognise that when the last Government did nothing, just kicking the ball 'round, meeting, to meeting, to meeting, to meeting, to meeting, to meeting. Do you know when last Customs Department -- and I suppose everybody got to take a lash for this -- when last the Customs Department had an appointed Controller? Can anyone put their hands?

Mr. Speaker, pretend you are not you watching.

Can anybody put up their hands and tell me when last we had an appointed controller running Customs, prior to 2005, when Captain Straughn was Controller. And Captain Straughn went to PS Security -- I am not calling his name in a negative reference, so I know Your Honour will allow me to use it, because he led Customs

Department and he then went as PS Security. He retired in 2012 so there was absolutely no reason not to fill the Post since 2012; and for the last seven years we continued to have an Acting controller of Customs.

I sat over there and I told them in Budget reply that ‘Customs was the closest thing to being able to win an Oscar in Barbados, because it was pure Hollywood, it was pure acting. Pure Hollywood.’ And I then subsequently found out since coming to this office that almost 160 Post have been left empty in the last five years. So we are asking a few people to do what a large load of people should be doing and we can fill 160 Post now in this condition, we can't; but as God is my witness, we shall fill some; and we shall do the training. Because if you do not train people -- one of the things that hurts me to the core, was downstairs in this building when we had a National Security Council Meeting and one of the officer said that the Risk Management Criteria that should be changed daily had not been changed for almost 12 years. The Attorney General can tell you. How do you get to a point that something that should be changed daily is not changed for 12 years? Unless there is a total implosion of institutions in this country. Mr. Speaker, sir, we will do right by Customs, but we will also require Customs to do right to ensure that Barbados' competitiveness, Barbados' Revenue and Barbados' Security is protected in the best possible way. We had a proud legacy of a Customs and Excise Department and this Government will work to bring it back up to where it should be. .

I end on Customs on this point: I was told by regional officials that there is something called the Advance Cargo Information Systems. It is no different from the Advance Passenger Information Systems – we know who is coming on a flight, that's why we will soon be able to remove the ED Cards from entry into Barbados. We know

who is coming before they come. And when the Data Protection Legislation comes to this Parliament shortly we will be able to do it, because the Europeans have very stringent criteria on data sharing, etc.

I spent six months of my life, working to create with others through Joint Regional Communication Centre for Cricket World Cup in 2006 and APIs was always the first one out the stables, but we knew that the Advance Cargo Information System -- on the right hand of me then in 2007, was the Gentleman who now occupies the seat as the representative for the City of Bridgetown, so this is dear to us. Do you believe that they tell me that that Advance Cargo Information System would now start to go live for the first time since we started it in 2007, because it was APIs first? But that Barbados was not to be counted in the first three countries and that other Caribbean countries would now be there.

Well, you know me, you know what I tell them. Not 'bout hey. That Barbados must be in a position to go live with Advance Cargo Information Systems and redeem ourselves as premium Customs and Excise Department in the Caribbean region and we will be working to that date within the next few months, Mr. Speaker.

But, sir, let us go to the Airport. We left also an Airport that was doing well; we did all of the work to be able to cooperatise it, and we've come back Mr. Speaker, sir, to find an airport that was treated in a similar manner, little or no maintenance to the infrastructure resulting in other problems that continue to harm and compromise the revenue as well as the experience. Mr. Speaker, sir, Barbados cannot depend on tourism to the extent to which we depend on it and not have a modern, competitive Airport. What makes it worse is that one of the first actions of my Government was to have a load

negotiated resume, because it was abandoned – resumed and negotiated with the Caribbean Development Bank for US\$40 million, to help us repair the runways; essential work. And what made it worse is that this loan replaced what the last Government was doing as a US\$110 million loan for the same thing plus one or two other little things. So we are doing for US\$40 million, what they wanted to do with that on a runway --on a tower. A tower couldn't cost US\$60 million. I don't know what else they were spending.

Well, God knows. Jah knows.

But we would not agree to US\$110 million loan, the member for St. James Central would tell you about it when he speaks and instead we are doing the job with a US\$40 million loan making sure that the runways are safe and that Barbados can move ahead.

The Airport Board and the Cabinet of Barbados has also agreed that we will not sell the Airport but we must have in Barbados a long term concessions because our Airport was really last developed more than 40 years ago. And we cannot continue to believe that it is adequate to meet the needs of the 21st Century Barbados, as we move into the third decade. You only have to go up there on a Saturday. I went through two Saturdays ago; craziness, bedlam. And what is an airport, if not a mall. An Airport is a place where people have to spend time and what you want to do is to make them spend money while they are waiting. But we have an Airport that has little or no shops for people to spend money on anything; and when you check the line for the coffee shop it going and snaking and snaking and snaking, so that anybody looking on would say: Man, I can't wait for that line, for that shop, for that coffee. We make it so difficult.

So now Government, sir, has accepted an offer from the World Banks in RFC in order to help us put out a long-term concession that would see us build out the airport by another 27,000 square meters. A lot of space to expand and to make more commodious the experience of visitors, but at the same time to create economic opportunities. And the reason why we are putting it out as a concession is so that we don't have to find the money to be able to do and to add to our debt but they themselves will do it. So I look forward, Mr. Speaker, to that process being completed by the end of this year or earlier into the next year, so that we can have before us a fully functioning modern airport. Barbados' ambition must be to be the hub of choice in its port and Airport for the southern zone.

When you look straight across us you are going straight to West Africa and there are a lot of countries below West Africa. And there are a whole host of countries in Latin America below us and we need to be just as our fore parents ran ports that allowed it to be a major trans-shipment point, regrettably for some of the wrong cargo, but a trans-shipment point that fielded opportunities for the other countries in the hemisphere and across the Atlantic.

The next challenge, Mr. Speaker, is LIAT which we inherited once again. Barbados has been the largest single shareholder in LIAT. And you will note, sir, that I have been very quiet and I have not spoken publicly on this because I believe that progress must be had first before we speak idly. And I am pleased, sir, to announce that we continue to make significant progress on the restructuring. I simply say to the Parliament that year after year losses and debts have piled up and pilots have worked less and less and ticket prices kept rising. Some of it, we know, because it is even cheaper to fly to Miami and New York than to fly to St. Kitts.

What the previous Government did with the last restructuring? We really don't know, because they left and said that they were starting a restructuring that a Hub was to come to Barbados; Part 1 was done with some separations and Part 2 was never completed. There are more Government Shareholders, sir, in the Airline than in any other Airline in the world, so you know it is going to be difficult. That is a fact. The open secret is that if a loss-making route gets cut, calls used to be made and pressure was put on the Airline and management and the route reappeared.

There were flights that LIAT had in recent months that had two or three passengers, one passenger. Cannot continue. Any other airline in the world will do what? Cancel that flight.

Mr. Speaker, sir, we believe that the time has come for us to take commercial decisions while at the same time protecting the integrity of transport within the subregion.

Solving tough issues and saving the Barbadian Tax Payers' money, is why we have been elected. That's the truth, you heard it this evening. Is it impossible for us to put LIAT on a sustainable solution? We don't think so. Nearly every Government in the region subsidizes airlines who bring passengers but they are foreign airlines. They will be a marketing support. Not true? Is that's what it's called. Some may even actually call it the Minimum Revenue Guarantees. Those airplanes aren't losing money and they are few complaints about having to pay more to the airline if the fair falls or the seat goes empty. But when we engage with CARICOM with their sleeves rolled up and ready to do the heavy lifting, I know we can do it. And what we have said to our people is: Let us have a Minimum Revenue Guarantee. If the route is unsustainable commercially, if it drops below a certain load factor but you need that to route to continue for all kinds of

reasons; then pay for it. But any time it falls below the load factor; if you don't pay for it, and it is not competitive or not earning, it has to go. I am happy to say that most Governments are beginning to move in this direction and to accept the model of the MRG as a serious model.

We are having discussions also with the workers, with the owners of the Planes, with the lessors with, the Financiers, because like with the Government of Barbados it has to be a model where many hands make light work. And therefore, sir, we are not yet at the point where we want to be, but I can report substantive progress is being made, there will be hick-ups but the bottom line is that we feel that LIAT as a brand is a credible brand and even if it works with other private operators on a Co-share in some instances, if it has to sell two or three planes that we can see our way forward, so long as we make commercial decisions in a timely manner.

It may mean that the structure of the Board has to change; it may mean that there are other practices within LIAT that would have to change; it may mean that there will be sacrifices made by everybody but we feel that it is worth fighting for because we need to maintain transport within the subregion.

Mr. Speaker, I come now to the Global Financial Crisis and what it did in 2008 to make the OECD the standard bearer for good tax governance in the world.

All know that one of our challenges has been that we inherited a Government where the last Government committed to removing the ring fencing between the International Business and the Domestic Private Sector, sir. We saw the Member for St. Michael's North execute a Herculean task in this Parliament at the end of last year; bringing 14 pieces of legislation to allow us to be able to have convergence in order to comply with the OECD. We, Mr. Speaker, sir, we did that. We had a big choice to make

fast: Do we believe that we could quadruple our Domestic Business Sector in ten years, or could we quadruple out International business in ten years. And we chose to converge downwards to our International rates, although all who noticed would know that we still increased the rates for the International Business Sector that hitherto were there.

They were a number of other countries in the Region, four others, and they chose to converge high. The only country that was recently blacklisted of the five was the one that converged to the low tax rate, which was Barbados.

Mr. Speaker, sir, it seems that our bold move while being deemed as compliant with the OECD which is the only Global standard making body that we have on tax governance, seems to have wrong-footed the European Union. And without a full assessment they branded us as uncooperative, as an uncooperative regime simply because we have become a low tax regime. And while it is OECD and not the EU that has been given the responsibility for reaching these matters and while we are OECD compliant, we still do not want to appear on anybody's uncooperative tax list. As a result, sir, we have been working with the European Union. I wrote them 48 hours before they met to deem us noncompliant and in that letter, which I will make a document of the House, I wrote to Commissioner Moscovici. We said that we accepted and could fully commit to the European Unions Criteria 2.2 which is, Mr. Speaker, those jurisdictions that were low taxed jurisdictions bringing up the letter, sir.

We said:

"We are fully committed..."[I am quoting my letter]..."to being compliant with the principles behind EU criterion 2.2 as set out in the scoping paper."

And we don't do so just out of a commitment to international best practice and tax matters but because our development model is and has always been about attracting really economic activity; substantive activity. Barbados is not a Post Box banking regime; never has been and never will be.

But what we went on to say is that you have had a number of calls to our officials and in tele-conferences but not in writing. You have raised five matters which are of concern to us because it cannot be reasonable for us to commit to something as a democratic Government, having never seen it; having never had clarity as to its scope; having never and had any idea of certainty as to what you are doing. And therefore, we could not make an open-ended commitment but that we would want to make the following points about what you are asking us to do.

You asked us to have enhanced safe guards on the spontaneous exchange of information. We said in that letter, these enhanced safe guards have not been explained and when our officials press for more information we have been told that they are still under development.

Two, that as it relates to high risk intellectual property the European Union would require a higher evidentiary threshold and more dire consequences in terms of exchange of information when the offending party does not carry out R&D, Research and Development. But, Mr. Speaker. we indicated in my letter that neither the higher threshold nor the dire consequences have been specified by the EU.

Three, as it relates to beneficial ownership; the EU is planning to request of other jurisdictions to furnish them with unfettered access. You know what unfettered access means. I can come at any time of day or night, it is almost like the old Martini

advertisement -- I'm dating myself now -- the old Martini advertisement: Any time; any where; any place in the early 70s. Unfettered access to the beneficial ownership information.

And, Mr. Speaker, we said, look:

"We strongly believe in having beneficial ownership information and sharing it in a legitimate judicial process, but we are concerned that the current request would be in breach of Barbados' Data Protection Bill [which I told you would come here shortly] and which as in fact been drafted to comply with the European Unions General Data Protection Regulations, the requirements of another arm of the European Union Commission."

So you don't know who are to comply with the Data Protection or you don't know whether to move and give unfettered access which would breach the Data Protection.

Four:

"A mandatory disclosure rule is still being finalized by the relevant working parties of the OECD."

Well, if it isn't finalised we can't comment on it because it's not final. Final is an absolute term; you can't have half final; piece of a final; or some kind of final.

And five: The semifinal ain't final.

"The EU would require additional safeguards inclusive of but not limited to detail reports furnished by companies or their outsourced activities and detailed recording by service providers in terms of the work done on behalf of companies inclusive of the keeping of time sheets."

We said then:

"We are well disposed to additional safeguards but there needs to be clarity as to what these will be. It is our further understanding that there will be a limit to the number of service providers. We do not understand the principle or rationale behind what would appear to be limit that is an impediment to competition."

We don't. How can you limit service providers? We went on in that letter, Mr. Speaker, to reiterate our commitment yet again to the EU Scoping Paper, Mr. Speaker, we said that we want to have information that is concrete and put into writing so that we would know what we would be committing to.

Mr. Speaker, sir, I don't know how much more reasonable a position there can be. How can you commit to an open cheque, a blank cheque. The member for St. Michael North and his officials have been trying their best to let us know that that is not what we could do. And we told them that and I am looking now for their response because regrettably, their response came to us, Mr. Speaker, on the day after the blacklisting. On the day after the blacklisting.

And, Mr. Speaker, that response made it clear to me, in summary terms, that language is part of the issue in this and we take for granted when we use the English Language that words have certain meanings.

In their letter back to us they said:

"We would want you to be fully compliant under EU Criterion 2.2."

And what did I read here in the beginning of the fourth paragraph of my letter. "My officials have been informed" -- sorry, in the beginning of the third paragraph.

"We are fully committed to being compliant with the principles behind EU Criterion 2.2 as out of in the Scoping Paper."

So the letter commits fully, that's the English Language. But the letter that comes the next day after the blacklisting said they want us to fully commit to this EU Criterion 2.2. And I don't mean this in an invidious way, I believe that genuinely, the translation, because we don't speak French and we don't speak German. Yesterday there was a good conference call, I'm told, between our officials and the office and I have every reason to believe, sir, that we will continue along the path of being able to make serious progress on this issue and to be able to get off the blacklist, in spite of the fact that we recognise that it is only the OECD that ought and has been given by G20 countries the right to be global standard bearing body.

For the average Barbadian this sounds high and out of the sky but this is the thing that helps us to carry some of the tax load in this country and allows me to do the things and bring the relief that I will bring, or to have to put additional burden when I have to put it, because this sector is not working as it is right now. So every Bajan has to get to know that we have to be able to defend ourselves in these ways because this is what makes a difference to what you can receive and not receive from our Government.

In dealing with these challenges, sir, we have neither overreacted nor have we under estimated the challenge. We want to agree on the fundamentals: commitment to principle and commitment to process and I thank the officers who continued to work in this way. We will not be full of bluster but we have quietly gotten on with the job.

I thank the Minister and the officials and my advisers, all of whom who have been working in the country's interest.

I say simply to them 'Stay the Course'.

Venezuela, sir, and you may ask why I am raising Venezuela as a challenge in this Honourable Chamber because, sir, instability in Venezuela will undermine peace in the Southern and Eastern Caribbean, as we are already seeing in Trinidad and in Grenada. We have been a zone of peace in the Caribbean for so long that we are in danger of underestimating how important it is for us to have a peaceful region. If God forbid, there is military intervention in Venezuela, it would destabilized this region for a very long time and we could be living with the adverse social and human effects for a very long time after, relating to refugees and other social instabilities that come with the movement of guns and the trade of the guns for basic food items and sanitary items.

We strongly believe, sir, that there must be dialogue and that is why CARICOM has been pressing for a global role to be supportive of that forum for dialogue. That is why we signed on to the Montevideo Mechanism that says Venezuelans must be able to settle their own future, but whatever happens there must be dialogue.

We, Mr. Speaker, believe that that must come as we said. If we try to impose externally it will never be sustainable. And Venezuela is a country with almost 30 million people; 30 million people and the consequences with respect to what it can do, not just to Columbia and to Guyana on its border, but to those of us in the Caribbean sea, which is also its border, is of significance to us.

Sir, we are neither pro Maduro or anti Maduro. We neither pro-Guaido or anti-Guaido, but we are pro stability and pro the Caribbean remaining as a zone of peace. And anything that alters that stability -- anything that alters that stability must be of concern to us.

The world is a difficult place in which to live today and people may begin to understand that those who believe that might is right, feel that they have the only solution, but we all know better from Biblical times that might was never always right; you only have to speak to the book that speaks to David and Goliath.

Climate change, sir, and I am going through these things because you must know what your Government is faced with on a daily basis. I feel sometimes that it a special world and that we are coming very close to recognising the world in which our grandparents and great grandparents lived in a 100 years ago; 80 years ago, a world that was driven by all kinds of divisions that led to two world wars that led to “sufferation”. And internationally we are seeing things that don't make sense. How does a world recognise that climate change is bringing these vicious hurricanes and cyclones, destroying coral reefs, melting ice sheets and still do nothing about it?

Mr. Speaker, sir, the Atlantic hurricane season of 2017 we saw what it did in Dominica, we saw what it did in Barbuda, we saw what it did in St. Maarten. Every September now I get frighten to set meetings, because you know that within 48 hours your whole life can change in this region.

Yesterday when we walked with His Royal Highness, Maurice Greenidge, who was our tour of guide, spoke about the hurricane of 1831, I think it is, made the point that Barbados is hit by hurricanes every 60, 70 years. By his reckoning, we are in that zone; and we have therefore to be concerned.

Mr. Speaker, sir, Dominica lost 226% of its GDP in one day. Well, one season. Because remember it had Maria and Irma.

The international community knows better and it has been backsliding on these and we have no choice but to continue to speak truth to power, because we must become

resilient. Our first duty as a Caribbean region is to become resilient because every hurricane season we run the risk of one or two of us being knocked down.

We are developing a Roof to Reefs programme as a Government to respond to the threats of climate change; and this year we will start a pilot to try and regrow some of our inner reefs because our pay forward generation must be to rebuild the reefs of this nation. Sounds esoteric to some, but if you don't rebuild the reefs you are going to run into more costal erosion. You have more costal erosion. Some of the people who are selling on the beaches down in Six Mens and elsewhere -- the member for St. Peter will tell you, will not be able to sell there anymore. Where do they get their living from? These are not esoteric issues. This is a real, real thing for people; ordinary people whose lives -- fishermen, whose lives would be changed. That is why we have a Minister of Maritime Affairs and Blue Economy, because this threatens to destabilize the stability of our economy. Most of Barbados' major installations are coastal, and we very much must a coastal economy. So if we don't know about it let us understand that our children have to be the warriors to protect us in this battle against climate change and you see more and more young people accepting this task willingly because in 30 or 40 or 50 years the countries and countries that we know will not look the same.

I know of people who tell us that almost 80, 90 years ago what is the road now in front of Chefette Hastings was the sea. I know of a Barbados as a little child where all of that wonderful beach that we see in Carlisle Bay now was not there.

So let us understand that there are changes and that we must respond to them. I have a duty to report to this Honourable Chamber that one of the significant accomplishments of this Government was in the domestic debt restructuring when we included in our new Bonds, a natural disaster clause; one of the first two in the world.

And what is it? That if we are hit by a climatic event of a certain category -- and it doesn't mean a hurricane because tropical storms can reach that too -- we then have the ability, Mr. Speaker, to be able to suspend the principle on the bonds and to capitalize the interest and to do that for two years. And the savings to the country in the first year could run as high as \$450 million.

Now, Mr. Speaker, White Oak did that. It is what they say and they put us on the cutting edge of the world, doing for us a natural disaster clause; a provision that the people in the IMF and the World Bank and the insurance companies of the world like Swiss Re and the nations of the world wonder how Grenada, who White Oak advised too, and Barbados are the only two countries with these natural disaster clauses in our new bonds. Enough said on that, sir, but these are the challenges.

Sir, I do not propose to go into a long record with respect to our international and economic context and perhaps I am following Mr. Barrow's example of 1976 where he sought to lay before the Parliament the out-turned figures, not because I cannot read numbers like a previous Ministry of Finance but because, Mr. Speaker, I am conscious that much has to be said today and I do not want to lose the audience on the basis of the numbers. Suffice to say, Mr. Speaker, I have a duty to report to this country, that we entered an International Monetary Fund Programme which the house already knows on the 1st October, 2018, and that this arrangement is to make available the equivalent of US\$291 Million or 220% of Barbados' IMF quota. Mr. Speaker, sir, that agreement unlocks also the development funding from the IDB, from the CDB and indeed from CALF and other entities.

Mr. Speaker, sir, the IMF effectively approved our Economic Recovery Transformation Programme, it requires of a certain indices that are numerical, yes. That

we meet a 3.3% primary surplus at the end of this fiscal year which we are on target of doing. That we also meet in the next fiscal year which we are now debating the estimates of revenue and expenditure for a 6% primary surplus and, Mr. Speaker, sir, all of the numbers are contained in appendix (1), appendix (2).

Mr. Speaker, the international trends and developments are contained in appendix (3) where we look at the US economy, the United Kingdom and of course the difficulties with Brexit; we look at Canada; Mr. Speaker, we look at China; we look at Latin America and the Caribbean; we look at oil and commodity prices; we look at the renewable opportunities and then, Mr. Speaker, we look at the macro-economic performance in the Barbados Economy for the year 2018. And, Mr. Speaker, as produced by the Central Bank of Barbados and all of these will be laid on Parliament's website for immediate access for members of the public because we believe in being fully transparent in these matters.

Suffice to say, sir, that we feel that we have a duty to let you know that whereas the Country was always able to track its foreign reserves on a daily basis, and you heard this from successive Ministers of Finance, that we can now track, and we have put in place for the first time ever, a mechanism to track the daily cash flow of the Government of Barbados. So if we see ourselves going off track we can begin to pull us back into the middle in a way that we should have been doing, in a way that we do as individuals; in a way that we do as a country -- as households and businesses and the Government now has that ability to be able to make that situation viable, sir.

We continue to feel that we have to watch Brexit clearly, Venezuela clearly, and that as we said, we have also to continue the work with the European Union and that is why I have taken the time today, sir, to explain these myriad challenges; that keep us

moving from hither to thither, from here to Uruguay, from here to Romania, from here to China, because these are the things that are now affecting how we can keep this Government and our people stable in a world in which we live.

Sir, I want to move now to perhaps the one that has had the most comment from the atmospheric noises. That of growth and transformation.

Sir, our Growth and Development Strategy has both short and long run elements. In the short run, we want to kick start consumer spending and cooperate investment with a substantial amount of immediate tax relief and repayments. But before I say that, sir, I continue to be amazed at those who say that we have no growth plan or no growth strategy, because you only need to open the BERT Plan. I think it's paragraph 50, page 19. If it is not paragraph 50 page 19, then it's paragraph 75 page 19. And the IMF Plan is paragraph 75 or 50. And what makes it even worse is that it has a subtitled in bold marked "Growth Strategy".

Now, if you want me to print it in 24 font, 48 font, or 72 font, I can do that. But to tell the public of Barbados over and over and over and over, as if reputation of a lie makes a self-evidence truth is disingenuous.

And I say to you, sir, that we have people who ought to know better in the public space, and I ask the media of this country to pick it up and see. Well, tell me that it is not the kind of Growth Strategy that you like or want that is a different matter.

But it is my Government's Growth Strategy and we shall be held accountable whenever we go back to the people or whether the Growth Strategy has been successful or not. Let me tell you what I mean when I say a short run and a long run element to the Growth Strategy, some that would immediately spark expenditure. And when the expenditure sparks, when people start spending money where they're spending it?

They're spending it on goods; they're spending it on items; they're spending it on services. And when they start then the others whose companies they are buying from start to buy other things. That's how money is spent and that's why in the 2013 election we talked about unleashing spending in this economy if you recall and the last Government tried to disparage us with it, but we have held faith with that in 2013 and 2018.

So what is it that we are going to do immediately? Let me tell you, sir. Starting the 1st July of this year, remembering the last Government owed Bajans a lot of money in tax refunds. Do you remember? We paid you your tax refunds in 2018, for the 2017 income year but you were not paid your tax refunds for 2011 to 2016.

Mr. Speaker, sir, starting the 1st July individuals who are owed personal income tax refunds for the years 2011 to 2016, will receive up to BDS\$1,000.00 in cash.

Mr. Speaker, you know how many that would repay. That will repay approximately 63,000 Barbadian household. Sixty-three thousand Barbadian households would be paid in full when they receive that \$1,000. Seventy-four percent of the 85,000 household that are owed will in fact receive the majority. This one-off payment, sir, will cost the Government \$39 million but because this represents a debt owing to the tax payers, this payment will not only put cash into the pockets of Barbadians but, Mr. Speaker, it would keep us on track with our debt reduction targets. We are using some of the money that we got in to pay down our debt to ordinary Barbadians because it is right to do so.

Mr. Speaker, sir, to receive these refunds individuals would need to go to the Barbados Revenue Authority website or the office and fill out a simple form.

Mr. Speaker, I also announce today that the second lump sum for pensioners which we spoke about when we finished the Domestic Debt Restructuring. Remember the first lump sum they got \$20,000.00 and we said that they would receive a second payment of \$30,000.00 for those who had bonds that were up to \$50,000. They will now receive that second lump sum of \$30,000.00 each on the 29th of March of this year, Mr. Speaker.

Promise made, promise kept, and I could say for those from whom owe up to another \$200,000, as we have told you, that money will be paid off monthly over a 4-year period, such that we cover everybody up to \$250,000 in bonds, who held Barbados Government Bonds when it was being restructured.

On the matter of income tax, sir, I would like to remind the public that online filing of personal income tax for 2018 would be done this year in the new Tax Administration Management Information System otherwise known as TAMIS. Registration is still taking place at the Barbados Revenue authority website and I would ask that the Government Information Service please advertise that for ordinary Barbadians to be able to see. I, however, want to inform you that the public filing for taxes this year will now start on the 8th April, 2019. When we started to introduce Tamis last year after we came in -- it is a completely new Tax Administration Management information System. And they will be kinks, largely because a lot of the integrity of the data simply was not there before and some of the systems had to be refined as it was being rolled out.

Last week I asked the Director of Finance and Economic Affairs to speak to the Barbados Revenue Authority to ensure that there will now be a twice-a-month meeting between the management of the Barbados Revenue Authority and the accountants of

Barbados to be able to reduce and remove the kinks in the system. I have heard people talk about the difficulties that pensioners, who have been told that they have to register by "X" time, and who are getting palpitations or getting nervous because they don't know: in some instances how to use a computer and how they are going to be able to get registered on time. We cannot treat people like if we are operating a tyranny, and therefore we will take our time and hold the hands of our people as we manage change in this country.

Let me continue, sir, above the thousand dollars that I referred to just now, owing in personal income tax will then be paid in full over the course of the next three years, as and when the cash flows of the Government of Barbados allow. In total, sir, the last Government held back or owed you the people of this country, \$108 million of tax payers' money. In three years' time, sir, we want to have paid you back every last cent. That's the burden we are carrying, doing right by the people of Barbados when another Government left you lost at the side of the road, out to sea.

In total, the non-reimbursement of overpayments now of value added tax and corporation taxes, however, from 2011 to 2016, reached a staggering \$166 million. Mr. Speaker, sir, we will also repay this amount.

In this financial year, sir, all companies owed VAT refunds or corporate income tax refunds for the years 2011 to 2016 will receive up to BDS\$10,000 in cash for what they are owed. This will repay, Mr. Speaker, in full 1,700 companies in Barbados or 71% of the companies to whom we owe refunds. This one-off payment will cost us \$10 million. The remaining balances that will not be settled at this point in time will be covered in 42 equal monthly instalments beginning from the 1st May of this year, unless,

of course, cash becomes available sooner and we can advance the payments as we have done in these instances.

Once again, the Revenue Authority will provide eligible companies with a form to complete and return before the payment is made, because you have to agree and settle that this is what we owe you, this is what we are paying you, so that this matter is settled once and for all, having been on the road, in some instances for eight and nine years.

As with personal income tax refund, sir, these payments to the VAT, and reducing the VAT and corporate tax payments will also reduce the debt owed by the Government of Barbados. And in addition to boosting the growth in our economy, as I just pointed out, it will also help us support the re-visioning or the revising of our credit ratings, sir. Credit ratings that we were told mean garbage and nothing to people.

Mr. Speaker, sir, these are one-off payments to tax payers that are timed to help transition the economy from stabilisation to growth. We expect this tax relief will pull the economy out of the contraction that we saw last year. When you start to add up what we are giving back to pensioners, in the income tax relief, and then to corporation and value added tax relief, those Barbadians who have had to hold strain for six and seven and eight years, will now have money back in their pockets to be able to do the things that they could not otherwise do. I look forward therefore, sir, to a resumption of growth in our economy in 2020 and not just the gathering.

Mr. Speaker, 10 years and one month ago, I brought a no-confidence motion in this Parliament for the handling of what has become, in my view, the most sordid chapter in our financial history since independence. Some may even argue in modern Barbados, I stood on that side, and it was February 2009. I could never have believed that I would

be standing on this side today and having 10 years later to bring order and closure to what may well become the most sordid saga of the last decade.

Mr. Speaker, sir, it is now time to put it to bed.

There was a former Prime Minister, who when I brought that motion, he sat where the member for the City of Bridgetown sits today and he stood up in that debate, and he said that the motion should be punished with laughter. Do you recall it? Mr. Speaker, sir, he mocked it. The others indicated and they told people: Don't move your money, keep it in there. It is safe. All the while, doing all kinds of things in the background that we only came to find out about much later. And, regrettably, much of the paper trail, as the Attorney General will tell you, is not necessarily there today, 10 years later. But what do you expect?

You did not know where Pinfold Street started or where George Street started. It was almost as if Pinfold Street moved to George Street and George Street moved to Pinfold Street. And, indeed, that same former Prime Minister that said it should be punished with laughter, stood here and proclaimed to the world about his pals. They said that they were being generous and that they would commit the tax payers of this country to the resolution of this entirely private affair, in a way in which they wanted to do.

It is appalling that we still have before us a Financial Services Commission, that in those days took a decision not to extend the parameters of a forensic audit, which may be too difficult to extend now long after all of the documents may not be there; in circumstances where the country had a duty to be told where and how the money went. Why? Because, Mr. Speaker, the story of CLICO is this, six hundred million dollars in debt for CLICO and British American and a hundred million dollars in assets to the

Government of Barbados, that we the taxpayers assumed six hundred million dollars in debt effectively for Barbados and the Eastern Caribbean for CLICO and British American.

Mr. Speaker, only two weeks ago this Parliament voted twelve and a half million dollars in pension payments for the workers of British American, who the last Government told that they were taking care of and settling their pension payments and never did it. I thank the Minister, the member for Christ Church East Central for continuing to meet with them and resolving these issues in the interest of this Government, and the Director of Finance.

Mr. Speaker, sir, what kind of Government would disadvantage its own people in that kind of fashion? I can't tell you what else other people would say, but I know that this represents some of the worst behaviour I have ever seen in my entire life in public affairs of the country. And I've said to the AG, that I don't know how or what you can do, but you need to exhaust every legal possibility, because you've asked the Government -- they've asked the Government of Barbados to carry a pot of five hundred million dollars and bursting. Five hundred million dollars that could have gone to more roads, five hundred million dollars that could help to build a new hospital, five hundred million dollars that could help fix the airport, five hundred million dollars that could help the poor, five hundred million dollars that could do a million things; buses, garbage trucks, everything. Mr. Speaker, not even on Wall Street would you see this kind of thing happening without anything more happening.

And you know, sir, I don't want to get too distracted today, you know, but believe you me, don't test, because, Mr. Speaker, I am telling you that what has happened has put a tremendous burden on our capacity to run this country.

Do you know, and I've asked the Attorney General for a formal legal opinion too, that monies were lent by the Central Bank of Barbados, I don't mean the \$10 million in 2009 because that one was made public. I mean, the \$52 million dollars that was lent to CLICO and ENICO by the Central Bank of Barbados, not by this governor, not by this Minister of Finance, as if the Central Bank is a commercial bank.

What is worse, not a single cent paid back to the Central Bank of Barbados, to the point, Mr. Speaker, sir, where the Central Bank of Barbados may now have to write off \$45 million advanced to CLICO and ENICO by a previous Government of Barbados. Mr. Speaker, I have asked the Attorney General because that one only came to my attention in the last few weeks, and I really don't know how, and it makes me ask myself: What else have we not seen? Because we've been so busy trying to keep you stable and alive, we have not exacted a spirit of vengeance, because truthfully, I've always felt: Vengeance is mine, said the Lord in Romans, it ain't mine. And I have a feeling that 'if you live bad, you gine dead bad, and if you live good, you gine dead good'. But the bottom line is, sir, that how does a Central Bank take up money and lend to CLICO and ENICO, to sustain the payment of salaries, to sustain the payment of goods and expenses, to sustain all of that, and not a new policy ain't selling - not a single new policy ain't selling? And, Mr. Speaker, we cannot do it anymore. It is now time to bring to an end to this sordid chapter.

Two weeks ago the Cabinet of Barbados approved the orderly winding up of Resolution Life which is a subsidiary of ENICO. ENICO will stay because ENICO has to hold the assets that would have been vested in it from CLICO. Mr. Speaker, I thank the advisors at White Oak once again for literally helping us to bring to an end to this

sordid, sordid, sordid detail and without any further compensation being required for them.

A review by them revealed that despite the previous administration's commitment to pay the claims of policy holders at a generous interest rate, that's what they got in here and told you before the last election – that this could only be done if you give the people 40-year and 50-year bonds.

So you giving a man who is 70 or 60 or 80, a 40-year or a 50-year bond, Mr. Speaker, that is likely to result in large, short to medium payouts because people have to go and trade them. Well, sir, we still can't work magic but we can start, Mr. Speaker, to bring order. And my Government therefore has agreed as follows:

The Government will offer the liquidated, the Financial Services Commission enough cash from our bonds that will enable it to pay a maximum of \$20,000 to the life insurance policy holders of Resolution Life.

This, Mr. Speaker, will allow 8,944 persons or 77% of the company's portfolio to be paid out in full. I want to repeat myself: The payment of \$20,000 will allow 77% of the policy holders in life insurance policies or annuity holders to be paid out in full, 8,944 people. Mr. Speaker, sir, much was promised, and nothing was done. There is a word for men like that, but it is not parliamentary.

Mr. Speaker, sir, in addition:

There are an additional 1,394 persons, 12% of the group who will receive at least 50% of what they were owed when they received that 20%, that \$20,000, sir. So that in truth and in fact, when you add that 1,394 to the 8,944, sir, you are already close to 10,000 people receiving either payment in full or more than 50% of what they were

owed. There is then another 697 people, 6%, -- \$20,000 will at least represent 20% of what they were owed. So that in truth and in fact, 95% of the people will get a significant sum, if not all of what they were owed when we pay out this \$20,000.

Mr. Speaker, sir, there are, however, a few people who are owed more than this amount. The Government of Barbados does not have the cash to pay them. And, we, therefore, sir, will issue to them enough Series B15-year bonds, these are 15-year bonds to allow the Financial Services Commission to eventually provide payment in full for their life insurance policy but they must get it over a 15-year period. We can do no better because we simply do not have it.

For those who brought the fanciful and high yielding executive flexible premium annuities, an instrument that sounded too good to be true, we are not leaving you on the side of the road, and we will provide the Financial Services Commission with a special 15-year bond to cover your original principle. Principle. Principle. The accrued interest that was previously proposed by the last Government, I regret, we cannot afford it. The special bonds therefore will repay the original principle to which I just referred over 15 years, and we will pay you at an interest rate of 0.25%. You are at least going to receive your principle if not your interest, but might I remind the people of Barbados that you received nothing effectively for the last 10 years.

What is the difference? That the structure is the same as that which was previously promised to you with the exception that we are stripping out the interest earned up to 2011, and we are extending the repayment period that the last Government said they would pay you by five years, because we need to do it to carry this heavy weight.

I hope that the Attorney General will find some way of tracing some of the assets, although I am sanguine and realistic and know that if you leave a scene untouched for 10 years, between the weather and those who come in and clean up the scene, there is going to be very little traces. But sometimes there is a God, and sometimes you might find a little strand of hair that can provide you with a DNA or a digital trail to being able to resolve these issues. But it is not fair to the people of this country, and the Democratic Labour Party shall forever have on the party of Errol Barrow this blotch, this albatross and that they should go and pay penance now. When his hundredth anniversary of birth comes next year, they should be paying penance to the supporters and the people and the family of Errol Barrow for bringing dishonour to his party, by bringing unto this country the most sordid saga of criminal, reckless and negligent behaviour in the financial history of this country.

Mr. Speaker, sir, if we wind up, I told you about the Central Bank already - if we wind up CLICO, and I wouldn't even make the documents, documents of the House related to what transpired in this because the public must know the facts. It is expected that the wind up of Res Life in this way will save the Government approximately \$315 million in interest alone when compared to the solution that the last Government proposed over the next few decades.

Substantially better when it was compared to what the last Government would have gotten in what became then the Series G offerings. It will also stave off, sir, what is likely to be a substantial budgetary request to us from Res Life and ENICO because if you are not selling policies somebody has to give you money to service. And we have said as a Government that we do not have the money to give you to service, either the high salaries that you were paying, the large payments that were being made or anything

else. Let us bring it to a closure and let people, the majority, 8,944 people get back their money in full. One thousand three hundred and ninety-four people get back 50% of what they were owed for 10 years; 697 people, 20% and all who should have known better when they bought the EFPAs, you at least get back your principle.

Let us move forward and let us recognise, sir, that we still have, regrettably to resolve because of the last Government's commitments now the matters in the Eastern Caribbean for which \$49 million of Barbados' assets have been ring-fenced, because when they sold policies in the Eastern Caribbean, they so sold them as a branch of Barbados. And what makes it so sad, sir, that you know that it was only in about 2006 or 2007, that the Barbados branch became legal and that all the years we were, in fact, a branch of Trinidad and Tobago. And the last Government presided over a situation where they never sought, Mr. Speaker, to see what would be the legal entitlements of us taking an action against CLICO in Trinidad to help lift some of this heavy burden.

Forgive me, sir, because anybody wants to know what it is like to walk a long journey, and to be mocked at and to be told that we are talking nonsense, and to be despised and cursed in the worst possible way, and then to see the evidence of wrong doing and criminality come out, and a whole country, a whole media, a whole Police Force look at it? And not a man picked up and charged, not a person in this country? And now that we are the Government, you are looking for the files and you are looking for the paper and what you gine find them?

Mr. Speaker, you can bring people to the court in Coleridge Street or White Park but if you can't get them in there, carry them to the court of public opinion, let them stand forever condemned in this country.

I have asked the Ministry of Finance, the Minister in Ministry of Finance, the member for Christ Church East Central and the Director of Finance, to start town hall meetings to explain to the policy holders of CLICO what we will be doing for them in early April, because I do not believe that simply because I spoke in this Parliament that that is sufficient communication to people who have slept difficult, difficult nights; people who have cried; people who have died. People whose whole life turned topsy-turvy because of the callous and indifferent nature and criminal nature of the acts of people who stood in public office and purported acts in the names of the law of this country, and the institutions of this country. These town hall meetings must happen in April.

Mr. Speaker, let me come to the long run growth and development model. I hear people ask again, as I said, what is the growth strategy? As I said, if you don't tell them what they want to hear, they conclude that 'you ain't got none'. But you know there was a time, sir, when the world used to believe that growth only came from Governments and that there were heavy restrictions on anybody else doing anything – the commanding heights. Those times gone when growth was considered synonymous with large energy intensive factories or thousands of employees popping in – gone. A world without the internet is a completely different place from a world where instantaneous communication can wrap 'round the world in seconds, in no time. A time when international agreements did not interfere in tax policy, subsidy policy or trade policy. When people could only buy and sell locally, when people did not have two addresses or two passports or mobile phones and whether other developing countries, Mr. Speaker, were places of risk and poverty and not of opportunity. That is not the world in which we live today.

Old growth models no longer work in this new economy, but even when they were tried in the past, some of them were found wanting. In large part, sir, because at the centre lay Government officialdom and a lucky few who had money or knew how to work the system. There was often growth for a few but limited development for the many. That is not what we want, sir.

Our growth and development strategy, sir, is explained in the covenant of hope, is explained in the manifesto, is explained in the BERT plan, is explained even in the IMF issue, structural reforms in the IMF staff report, No. 18 of 2090, structural reforms to support growth, growth reforms.

Mr. Speaker, at the heart of our growth strategy is what? Our people, our people. That's what makes us who we are. Then you hear tourists say that they come back to Barbados because of what? The people. When you see us educate people to be able to earn higher? By earning higher they produce more. Why? Because it is the people doing better. And we say, sir, that it is a citizen-centric model. Our objective is to invest in people and communities so that everyone has the opportunity to choose the life that they want to lead in this country and in this world. To be captains of their own journey, to have economic security, to do anything that they want to do if they put their mind to it, untethered, sir, by the circumstances of their birth. To live a considered life without fear - to live a considered life without fear.

Mr. Speaker, sir, that means we have to educate and invest in skills and in their health care. It means, sir, that infrastructure that delivers those things and connect people and markets together and products and markets that do those things is where we have to be going. Growth will spring from this development. There are no colour investment

returns to be had other than well considered investments in education, none, public education and public health.

While the average rate of return in international equity markets are around 7.5%, returns to education are estimated at over 17% for primary education, falling to 11% for tertiary, because when you educate people and they can produce more and better their future is secure. Do not ever let us ever doubt that. And the word public, sir, is important because delivering health and education universally, and I am not just saying this for the sake of it, this is who Barbados is. These are the things for which we are most globally competitive. And the last Government come and as easily as they embraced CLICO they threw away education and health. What motivated them?

We say, sir, that the word public requires us to deliver universally, because the whole community together is what gives these investments their power. It is why we believe, sir, and we say it in the covenant and we say it in the manifesto, that Barbados must be a hub for educational and medical services, and as if there was a God listening, recognizing that when we said it, we were truly then walking a little by faith and a little by sight.

One week after we won the Government, came the first call asking whether we would wish to be considered as one of three countries for Ross University to relocate to Barbados, a hub for educational and medical services in one. One thousand five students, over a hundred faculty, over 400 houses for the students and another hundred odd houses for the faculty, cars being purchased, groceries being bought every week now since January. At most Transit Cooperative with 35 buses owned by Bajans. We could have given them the buses and tell them, do their own transport. We said, no, Mr. Speaker, our people must have the right to have services bought from them with buses and existing

buses. We didn't then give a whole set of people new permits because -- the former Minister of Transport had already done that, he had already done that, but we allowed this development to continue.

So, Mr. Speaker, and there are other universities. I don't mean the one that the former Minister of Education know about, that he signed about, and told people about and got all of us embarrassed all over the world about. I don't mean them, I mean the credible ones. I mean the one that, for example, has the building at the bottom of -- the old BET building that wants now to build a hospital, American University, or even the one, I am told, Queens University, or, of course, Ross which has now one of the most wonderfully modern and technologically innovative campuses, not just in the Caribbean but in the world, with respect to its equipment particularly as it relates to digital anatomy and with respect to technology for heart monitoring and heart health care.

Mr. Speaker, our growth and development model, therefore is fundamental to us. From the time Barbados was settled people were coming here for health services and health care because of the climate. George Washington brought his brother here, the first president of the United States of America. In the 18th Century, we had the university Codrington College offering training and education here. We were a hub -- movement of goods. Things don't really change, you know, but how we treat them and how we use them, in the same way that we now talk about needing to refurbish our plantation houses, is what changes. And, Mr. Speaker, this is the Barbadian model. To do these things with the university public approach, this is what Grantley Adams and Errol Barrow and Tom Adams, and all who came down through them, fought for. This is the Barbadian model, this is our way and our children must be told that it was worth defending, and we have come to Government to defend the model that has worked for us in the last 80 years.

Mr. Speaker, sir, that is why the substantial budget adjustments have been made to get us back to fiscal sustainability. We ring fenced our investments in education. And let me pause here for a minute, because what we have effectively done is we entered a deal with the University of the West Indies, who even after we did the domestic debt restructuring said: Look, we still need more cash. And then came to our people and our advisors and we said: Fine, what do you mean? They said: If you can pay us up front now \$44 million — it's was \$44 or \$45 million or \$50, I can't remember the exact number -- but we will make the letter a document of the House — we then will not charge fees for the next two years because we need the cash up front. And we have had that deal struck with the University of the West Indies, and that is why you only see part of the amount for fees in this years' estimates because we have given them the lump sum.

Secondly, the former Prime Minister and member for St. Peter had committed to giving them the land on which they now - the member for St. George North would recall this - on which Lazaretto and all of the buildings stood, because he had, rightfully so, a vision of the University Town. And I commend the former member for St. Peter for that vision. But what the last Government did when they came in was to take off the table the vesting of that land.

Now, anybody who is an accountant would know that the value of that asset on their balance sheets would have made a significant difference to the University. And we therefore have had to come back to office and recommit to vesting that land in the Lazaretto, to the University of the West Indies and we do so willingly.

We have also agreed that the land at St. Joseph Hospital, because the University, one of its most productive and profitable arms is the medical faculty, that that land at St. Joseph Hospital would be vested in a public/private company with the University of the

West Indies and the Government of Barbados with the University holding 75% of the shares in that company and the Government of Barbados holding 25% of the shares of those 21 acres in land. The Minister of Housing is already proceeding with the vesting of that land for the university in both instances.

Sir, this is what you do to secure and stabilize an entity that is going to bring delivery to so many thousands of Bajans and so many households. And that is why, sir, we say that this is critical. But it isn't only education, sir, we have also talked about the master teachers, and we recognise that we can't do it all in one year, but we are going to start with seven master teachers and the money was voted already, but we want to get the terms and conditions right with the teachers and the unions, because we say that a good teacher should not have to be promoted into being an administrator in order to be able to earn properly, that they have something to share with other teachers. And, hence, the concept of master teachers.

We also said, and I should have said this earlier when we were dealing with the matters of crime, that this week I committed to the creation of seven additional posts for Social Workers, seven additional posts for Guidance Counsellors and seven additional posts for safety officers, as we promised in our manifesto.

As we promised in our manifesto at a cost of \$1,095,000 to the Treasury. The safety officers will be charged with the responsibility of helping us in the schools that are most challenged with bullying and violence to be able to work both on those school compounds and in the public transport system and terminals to be able to help us get on top of those difficulties with children.

The social workers, the seven social workers, the Ministry of Education, and I am sorry that the Honourable Minister is not here, will be deployed at her wish into the

primary schools, because if we can get some of these youngsters who are being challenged in the primary schools before they reach secondary schools, we have a greater chance of bringing them back on to the straight and narrow.

And we have done seven guidance counsellors because at this point in time there is only one guidance counsellor per school. How can you give a school -- Mr. Speaker, you practice criminal law, how can you give a school one guidance counsellor to deal with 800 people? Of which there may be two or three hundred giving trouble? So that we have determined that there needs to be an additional pool of at least seven, and every year for the next two years we will add an additional seven in each of the three categories. If we did not have to pay for CLICO we could have done all 21 today. In each category.

But I thank the teachers and principals and parents of this country -- and I say to you that this is not just the work of these categories of persons that we are now creating jobs for. This is the work of a whole nation, and you heard me talk earlier that old saying, it takes a village to build a nation.

Mr. Speaker, sir, in terms of training now, the member for St. Peter, the Honourable Minister of Labour, has been working assiduously to help me put in place the National Training Initiative and to be able to have us put in place, sir, a programme that will, what we call the ReRe Programme, be able to allow us to retrain people at every stage of their development. I have said that the whole of Barbados must become a training campus in the next four years. We need to define what is excellence in every job. We need then, having broken it down, to train people in what are the rudiments of excellence. And then we need to make them to habitual practice and practice and

practice, because practice makes perfect. So that we start to understand that unless we can give globally competitive and high standards in what we do and say and sell, we are not going to make it. You heard me say earlier we cannot do in three months what we should do in three days or we would be left on the tarmac.

Mr. Speaker, sir, too many children leave school without certification and we need to pause and get it right. Too many children are being superannuated and we need to pause and get it right. And I am happy and it is true that the Honourable Minister of Education has had her challenges but I am confident that very shortly she is going to lead an extensive conversation with the people of Barbados as to how we can make every secondary school a top school in this country rather than making people feel that they are condemned in that thing called the Common Entrance.

Sir, I didn't have the chance to go fully twenty something years ago, because we were still dealing with a highly conservative society. But we have to come to grips with the fact that we need to be able to look and see whether a middle school is not required that will take people in first form and second form and give them the opportunity to be able to go and mature and decide: Am I really a mathematician? Am I a linguist? Am I a person who likes Geography? Am I a person who likes auto mechanics? Am I a person who likes commerce? Am I a person who likes boat building? Am I a person -- whatever it is, we have enough schools to specialise. Am I a creative person? Am I a sporting genius waiting for somebody to see me and capture me and let me go overseas and become a global citizen?

But if we don't give our children the chance. In my day as Minister of Education, I had to settle to partial zoning, to try to right size the wrong of an inequitable system that put too much pressure on young people. And don't get me wrong, I understand that the

Common Entrance gives ordinary people a fair chance but it also intimidates too many people and discards too many people on the side lines in our system.

And I believe that the collective wisdom of this nation, not just this Parliament can come and design a better system that is not routed in the 1940s colonial education reform that is really the subject of our education system in this country. This is our reality and I look forward to the Member for St. Michael South East laying out.

With respect to the other things, the Member for St. Peter is now trying to settle the First Jobs Initiative. And we want to work with training entities, even in the unions. The NUPW, the Barbados Workers Union; all of the unions, because you have a role to help us train people to become good workers and it allows you also to teach them about their own rights as workers. This is not a solitary journey for a Government.

And just as we will do training in culture and sports, we have to get the plumbers, the mechanics, the carpenters, the masons, the things that would traditionally give people an apprenticeship. How many of us know joiners now, young joiners? Look at these chairs, look, built in Barbados. How many young people can build these chairs now?

We go and we buy fancy upholstered furniture coming in through Courts and paying a lot of duty on it and making other people's workers get sort out. And we have some of the best mahogany furniture in the world because we have a tradition that goes back to the 17th century with respect to our furniture in this country. Look at the caning, the Member for St. James North would tell you that for years the society for the blind was caning and doing work, excellent work in this country, that others from the French Caribbean would come and buy the antiques and move out with them. And we don't value them today.

Mr. Speaker, we have to change as a nation. And I am telling you we will do it. This is part of our growth strategy and it's not some pie in the sky.

We have already determined that the national training levy will continue to go to the Training Board and to the Vocational Board. But this House passed an amendment and we may need to tweak it again that the money which was otherwise being devoted to the unemployment benefit fund for the last three years, because the severance payments fund is more than healthy, that that money would now go 50% to unemployment benefit and 50% to the training levy. In order to be able to finance the other components, especially for this First Jobs Initiative and other training we may have to make a small amendment again to the NIS Act and the Minister will bring it.

But what we will have to do, is to correct a situation where all of those youngsters from the Marl Hole to Bush Hall to St. Philip to all over, Work Hall, all over, who have told me that they have left school five years, six years, seven years, no training, no job, no nothing. We need to bring our people into the structure of work. And it may not be that they earn the largest amount of money, but those who went to university had to pay to go, if the Government ain't pay for you, you pay for yourself. Because when you finish secondary school, you still have to learn. And you have in the days of old, you have to pay to be an apprentice too. This is so we don't do it now, but we need to train our people. And I pray, Mr. Speaker, that we can get this right, we need a national training coordinator, we need to be able to work with the public and private sector and unions, because this is the only way we are going to turn this economy around.

In, addition, sir, we have to understand that we don't have enough people coming to work to produce in this country. And that's why we set up the National Population Commission. Because we need to understand how many more people. We talk about if

we are still the third -- what if there was a chart to say we were densely populated? You know that Singapore is 670 kilometres, Barbados the 430 square kilometres. Singapore has 15 times the population base of Barbados but only one and a half times the size. We have to have serious conversations. Because the quality of life that we want to keep as a country cannot be maintained unless more people come to work, to produce. And that's why the single market and single economy in CARICOM is so important, because that allows us a wider space to produce. And that's why the international business sector as we hitherto called it is so important, because it allows people from outside to come and do business here but to pay taxes here.

Mr., Speaker, sir, we will do this country a disservice if we do not talk through these issues. And I fear for the children and grandchildren of the people that I know in my constituency, in this Parliament, in this country, because if we don't understand that this is who we must make these decisions for now, then we will condemn Barbados to being a third and a fourth class country. That is not the country that Grantley Adams and Errol Barrow raised us to be in this place.

And another part, Mr. Speaker, is women in the workforce. We have to find another way of influencing more women to come back into the workforce, particularly with the support that they can get. And we have therefore, Mr. Speaker, have to facilitate the opening of day care centres, not just in industrial estates but in large office buildings.

I heard the Director of Finance tell me that when he was Director of National Insurance, people used to leave the office at 2 o'clock, large numbers, trail out and come back in at 3:00 and 3:30 and you heard all the little children talking. And that they would then try to see how they could do something to hold them to be able to help them be there or maybe even if it is a large office building and people are going to school nearby to be

able to help bring the children through a bus or something. We need to think differently. You can't have women going to school with latchkey children, going to work and latchkey children being raised in this country.

And that's why this debate today is not just about budgetary initiatives. We merge this debate with the second reading speeches of Government, because this country deserves an opportunity at least once a year, if not twice a year, to take stock as a national condition. And to be able to understand what we are doing as a people, how we are doing it and how we are paying for it.

So therefore, Mr. Speaker, within the next two years, sir, we want to have a series of day care centres facilitated in industrial estates and office buildings to be able to allow women, young women, to ensure that they can be at work and their children can be taken care of and how more jobs can be created.

Mr. Speaker, sir, the men will like this. In the next 12 months the National Insurance Scheme that it will now have to start a limited programme of paternity leave, even whether it is two weeks or four weeks, there must be paternity leave in Barbados by next year this time.

And why is that? I am told, sir, that you are limited to one person a year, one child a year. But these are the realities of our society. And to hide and duck from them would be to allow the system a good system to fail before it got off the ground.

Mr. Speaker, sir, I am happy as the first woman Prime Minister to bring gender balance and to recognise that paternity leave is critical in this country if we are to bring strong, young children in this place. And why, sir?

Sir, I spoke earlier about social workers being first responders to save families. If we save families, families save their own. If we save families, families save their own. And this country has to. And this is not trying to use fanciful phrases like 'families first'.

I thought when the former Member for St. John spoke about families first I supported it, because I tell people all the time that 90% of the confidence that I have comes as a result of how my parents raised me. And I see it and know it in other children across this country. I see big people at 50 and 60 years old tell us that they feel that their mother didn't love them as much as they loved their sister or their brother. And people don't therefore come to love themselves. And these soft things help determine what the level of productivity in a country is. Don't get tie up.

It's as important as the legislation, it's as important as the fiscal out turn, it's as important as the taxes. This is who we are as a people. And the God, the Lord has made us small enough that we can make a difference by getting in and understanding these things. We have to be citizens of the world, I am not telling you not. But we have to do things differently.

And, Mr. Speaker, talking of citizens of the world, how do we feel that the World Bank Doing Business Report puts us at 129, 129 out of 190 countries. That's why I speak with the passion that I speak today, because this is not the Barbados that we knew. And we therefore, step by step by step, have to have a growth strategy that reverses that and makes us the place to do business in the world.

Mr. Speaker, sir, the truth is that anybody who has tried to start a business in Barbados in the last ten years doesn't need the World Bank Doing Business Report to tell you how difficult it is. That report just confirms what we already know. And that there

is a pain with the bureaucracy and the process and the confidence of investors, sir, is sapped by the system that is slow and has very little predictability. And this system, sir, turns away investors and entrepreneurs or we lose investments, we lose jobs and we lose growth. If we fix it – this is a core part of our growth strategy.

Last week the World Bank sent a team down to meet with us to be able to start to turnaround those Doing Business indices sector by sector by sector. The AG met with them up to Saturday morning. They don't only work Monday to Friday like -- well, the previous AG you couldn't find him after lunchtime. This one works seven days a week.

Mr. Speaker, sir, but it isn't only there in the Doing Business Indices as a map, we have to drill down. Because one of the things it talks about is construction permits and Town Planning permits. This Parliament took a bill in January and for the first time in 53 years we changed the Town Planning Act, to make a modern Town Planning Act that would revolutionize the issuance of planning applications in this country and all of the uncertainty; or you put in an application and they tell you no and you put in another one and they still tell you no or you put in a third and a fourth and they tell you no; we say no to that. We have now passed legislation that says that when the Town Planning Department tells you no, it is a provisional no, but they must also tell you what will trigger yes. So how do you get a conditional acceptance with a provisional refusal? So you remove the opportunity for corruption, you reduce the timeline and the uncertainty that otherwise would be there and Barbados can grow, if people have certainty. Set a straight line and I will tell you soon what I am saying it is not a straight line, but we need to make it better and more serious.

Similarly, fiscal incentives. And when I come to the incident that I'll talk to you about later, you will understand why we need to have greater transparency with fiscal

incentives. Mr. Speaker, sir, these things are too important. There must be a faster more predictable, more transparent and positive process for planning, for acquisition for all kinds of things.

And, sir, we've said that we will also use planning games. And planning games are an instrument that the British use, you want to get permission to do a A, B, C, well we want you also to put up some streetlights or to pave some roads or to do a community centre or the ones that I have just taken the greatest pride in doing - I'm in the middle of negotiating.

You heard me earlier talked about reducing the density in the Pine and Wildey and reducing the density in Silver Hill and Gall Hill and we have now said to the persons who want large tracks of land, subdivided, that we need to have a serious donation of land as a planning game. So that if we get the 30 acres it will give us over 300 spots for the people in the Pine and Wildey to be able to have access to housing to reduce the density of 50, 60 years in that housing area. And, similarly, at Searles in Christ Church. Member for Christ Church East and the Member for St. Philip West will be happy to hear and Christ Church West Central, that the density in Silver Hill and Gall Hill must be accommodated by a similar parcel of land of at least 30 to 35 acres in Searles to reduce the density in Silver Hill and Gall Hill, so that ordinary Barbadians can have access to land. And I've said that the Ministry of Public Works for whom this Government has voted \$10 million in equipment, must now help put those roads. So that the development cost for the land does not come in no \$12 and \$15 a square foot where people cannot afford to buy it. That the development cost of the land must be kept low, so that those people can pay no more than \$10 dollars a square foot for land to be able to have a new

and fresh start in this country. That is what we are likely to do. And Mr. Speaker, not a cent from the Government is being spent to get that land.

What others wanted to do under the cover of night and in the back of a van, we are doing in the full glare of light and we don't want it for ourselves, we want it for the people in the Pine and Wildey, we want it for the people in Silver Hill and Gall Hill, and the Farm and the Ivy, we are coming there too, don't get tie up. Eden Lodge too. Otherwise they would put me out of where I live in Lodge Hill.

Mr. Speaker, sir, therefore we've also looked at other things related to how we modernize business. The country wants to know what is being done in their name, but this is the evening to tell you. And who don't hear all in one time we will cut it up and put it in small parts and you can watch it on social media when you get a chance but you will hear tonight.

Mr. Speaker, sir, we believe that we have a duty to make it easier for people to do business in this country with Government. In our manifesto we pledged to do so by using technology to improve the quality and speed of the delivery. And you heard the Minister of Innovation, Science and Technology give evidence in this Honourable House and do so well, with respect to the path that we are taking to be able to provide digital identity cards. Not like the last Government that spent \$5 million or \$6 million on ID cards that have now been deemed useless because they put them in a warehouse for the last three or four years and now the people who manufactured the chip in the card say, they can no longer guarantee its performance. How does a Government do those things? But we will now, sir, improve the quality and speed of the delivery and it doesn't happen overnight.

You've heard take a seed for corn and get the corn plant and reap it the next day. We know that. And therefore, over the course of the next 12 to 18 months a number of things will happen in this country some starting this year.

Facilitating an online payment for Government services, clearing goods through Customs, facilitating the payment and collection of child maintenance while allowing for the privacy and the sensitivity in the management of the process because you are dealing with people's personal information. Working with the Central Bank of Barbados and Government suppliers to pay for goods and services digitally, using both the Realtime Gross Settlement System and an automated clearing house platform, greater use of the digital money that we launched with Bit Coin the Money platform.

Mr Speaker, sir, one of the major pet peeves of Bajans is that they want to pay their taxes easier. You know it hurt my heart when they called and told me on December 31st that they have old people and all kinds of lines of people standing up in the morning, from 5:30 and 6:00 in the morning and can't pay their taxes because the line long and they can't get through the numbers of people. The members for Christ Church East Central will tell you that I called him that morning and made him miserable.

And the President of the Barbados Banking Association will also say to you that I made her miserable that day too. And I asked both of them to meet, to make sure that this country does not face those problems again. And while they may not make the March 31st deadline, I am satisfied that before the middle of the year there will be major improvements in the payments to BRA and that there will also be, within the next six to nine months -- the NIS, also the Chairman of the NIS, the member for St. Michael West Central is doing an excellent job there -- will also be in a position to allow them to move from cheques to digital payments. So that the persons who get their money will have the

card with the money on it rather than printing thousands and tens and hundreds of thousands in cheques and the costs that is incurring there too in the printing of those. We have to change, and we shall change.

Mr. Speaker, sir, the Member for Christ Church East Central promised me that by June 30th, citizens will be able to pay their taxes online at the Revenue Authority. Let us hope that that date shall be there and met but even if it is not met precisely on June 30th, I have such confidence in him and the others with whom he works that I know it will be shortly thereafter.

During the remaining of this year, sir, as I said, we would look to work to integrate options for the collection of taxes through mobile platform and mobile payment platforms as well.

Mr. Speaker, in order to reform the Public Sector and to improve the quality and speed of the delivery of high demand services across the island, the Government intends to facilitate a wide range of Government services, including renewal driver licences, clearing goods through Customs, as I said, applying for passports. The Minister in Economic Affairs, the Member for St. Michael South Central, he is doing a very good job in monitoring the planning and development applications. Those must all become digital. So that when you move to other Ministries that need commentary as well, there is not the moving of large files.

I am happy to tell the country that the Cabinet of Barbados from the 1st April, will not have a single piece of paper in it. For the last two months we have been using an I-Cabinet platform, some who were frightened to give up the paper, still walk with it. The Cabinet Secretary has been instructed, it is not an April Fools' joke, not a piece of

paper from April 1st, we have to save money. This whole speech, sir, I ain't reading paper, look at what I'm doing.

Mr. Speaker, sir, applying for public entertainment licences and liquor licences, the member for St. George South will roll out hopefully a one-stop licence. Because the terror and tyranny that has hit too many shop owners and people in this country especially as we get ready for Crop Over, cannot be the way of the future. Obtaining Police Certificate of Character and accident reports started with the Minister of Home Affairs, continuing with the AG, is wrong. We need to be able to do those things in quick order and not make people wait for months: facilitating the payment of collection of money for maintenance while allowing for privacy; ticketing for certain traffic offences. Mr. Speaker, I feel the pain of the average Bajan with these things, you know. But the only thing I know is that you can't make ground happen and everything happen in less than ten months. But I say to you, stay the course, we got this, we are going to do it for you. So whether you go to Immigration or whether you go to the Registration Department or the courts, the Police Department, International Business, Customs, Town Planning, or Licensing Authority, over the next 12 to 18 months we will roll out all of the services.

In addition, sir, the Corporate Affairs Registry cannot continue as is. And I am happy to report that the Attorney General has been leading the process, we indicated through the public consultation mechanism we had in August, that we would have a Public-Private Partnership. And that Public-Private Partnership will allow us to run a registry to different and more efficient levels but also recognizing that this is as important to the people who do business here as the incident of taxation. That if you cannot get business in and out of the Corporate Registry people will leave. I am told that the team,

the PPP, should be in place by July and that by early next year all of the digital processes should be in place to be able to transform the experience of the Corporate Affairs Registry.

Mr. Speaker, sir, the Attorney General's Office in this year also have received a significant sum of money as well as the Cabinet Office for the establishment of a Commercial Court. You cannot run international business in a country or domestic business if people cannot resolve disputes. And therefore, sir, before the middle of this year Barbados will have a dedicated Commercial Court, the money has been voted, it is only now for the operationalising and the appointment of the judges.

We have also, sir, agreed, that there would be three temporary criminal courts, to help with the backlog of ten thousand criminal cases. Mr. Speaker, we hoped to have done it earlier but the problems in the Supreme Court at White Park which will be finished by April, they should be moving back in April, meant that we could not find space to hold these courts. But I must tell you, that I have said to the Attorney General, Barbados is not rich enough to go and rent dedicated physical office space for courts that we will only use six or seven hours a day, five days a week and therefore we have to better utilize the court that we have. And as a result he has come back with a plan that will see all the criminal courts being operationalised during the day and that the Commercial Court and other courts may work into the evening, because it is easier and less burdensome to provide services for a Commercial Court, a Family Court or even an Administrative Court than it is for a criminal court that requires prison officers, Marshals, police, jury, et cetera.

So, Mr. Speaker, we wish we were a rich country but we just had to spend money to settle CLICO. So I can't spend the money on new office buildings for courts, so we

have to better utilise our offices, we have to better utilise our court building, we have to better utilise our schools, we have to better utilise our community centres and we even have to work in partnership with our churches to better utilise our churches. It is about efficiency. Thank you.

Mr. Speaker, this is towards a new global competitiveness and I have spent perhaps a little longer than usual this evening dealing with these things because all who say that there is no growth strategy, I don't want to keep you in here 'til midnight, but I want you to know that there is a lot more and each of these Ministers I can carry you through one by one, by one, by one, by one, by one.

The Minister of Maritime Affairs and Blue Economy, an RFP is going out for the issuance of jetties and docks in this country. When we were children you used to see a jetty off Bay Street, a jetty off the Hilton. Jetties on the West Coast, the member for St. James Central and St. James South will tell you, St. James North. And what do you have now but broken down remnants of jetties. The Government doesn't have money to build them, but we are going to go to the public and say, if you want to build them, let us have a public procurement process.

Similarly, we have to determine whether we can keep valuable assets on coastal land. And the Barbados Tourism Investment Inc is going to have to come out shortly with some advertisements about whether we can replace our civic services in Oistins and Holetown on the landside and use those lands for more productive economic use to earn foreign exchange, because we just learnt what happens to a country when it doesn't have foreign exchange.

Mr. Speaker, to that end, my Government would establish a competitiveness council as a subcommittee of the Social Partnership to help us continue to make sure that jobs and growth will be foremost as we go forward in this country.

So, our approach to growth, sir, is not simply set to drive, we will also facilitate investments in all high skill and high wage activities and we believe that there are also great opportunities in the agricultural sector.

Ministry of Agriculture, Minister of Agriculture, may well preside over the golden age of agriculture in Barbados to come again. And I look forward on Saturday to going with them and looking at a whole development with bees; of course I would have to go with bees and I couldn't say, no. But I believe that Bajan honey is the sweetest so, and we know what Barbados bees do all the time. But the bottom line is, sir, we are not just saying this because we want to say it.

The incidence of chronic non-communicable diseases in this country is at crisis level. It is at crisis level. And we have therefore, sir, to deal with these things because hypertension and diabetes are killing our people.

It is essential, sir, and I speak as me too, when we change our diets and lifestyle. I have changed my diet, the problems I have is a thyroid problem and I'm fighting it and the doctors are telling me that it is stress, stress is going to make it worse. And even with that, I'm fighting every day because I know that I have, by example, to also inspire a nation, just as each of us in here has to do so.

Sir, we are also working with the United Nations Conference on Trade and Development to promote consumption of fresh vegetables, local fresh vegetables and fruit and to discourage the consumption of processed foods or foods with high sugar content by using tax measure, sir. We've already started but what we discovered, when

Ambassador Mascoll came back to me he said, “Can you believe that 96% of the sugary tax is being paid by domestic manufacturers?” I said, “that can't be true, because there are a lot of sugary drinks that are imported through the borders every day. And it just tells you why we have to have a well-functioning Customs and Excise Department because we have put an extraordinary burden only on the domestic manufacturers while allowing other people to bring in juices and drinks far cheaper than they should be brought in at and hence making them more competitive on the shelves than what we are producing locally.

Mr. Speaker, sir, my Government therefore will seek to correct that as a matter of urgency because there cannot be a disproportionate burden on local manufactures for sugary drinks. But I go further, sir.

We believe that we will work with the Ministry of Agriculture with some of the new programs that they are now trying to roll out in the feed program, in the containers, et cetera, to be able to have more local fruits and vegetables produced in this country. And when I come to the measures with respect to VAT, you will understand why we are encouraging Barbadians -- when last you ate a passion fruit instead of a grape? When last you had plums, hog plums, instead of a kiwi fruit? When last have you eaten a mango? When last have you had local fruits instead of strawberries and raspberries and blueberries? If you want to buy them, fine, but the country should not be subsidizing the costs of foreign fruit when Barbados has so much local fruit that we could be growing and distributing.

Similarly, Mr. Speaker, we want to start a conversation with the fast food establishments through the Minister of Health who is doing a wonderful job as well. And the Ministry of Economic Affairs and Finance. Because the fast food establishments and

the Pine Hill Dairy will be told, let us work together, let us start having healthier options on the menu, let us have some stuff grilled, let us have some stuff that is ground provisions.

You go to the States and you see people serve cassava – I'm not talking about fried cassava either. I am talking 'bout boiled cassava. But we don't believe we could do it here. We need to do it. We need to serve more sweet potato and more eddoes and more breadfruit, more yam, complex carbohydrates and green bananas.

And, Mr. Speaker sir, we need to reduce the content of sugar in the juices and in the drinks in this country. And that is the only way we are going to fight childhood obesity or any obesity whatsoever. Only way.

And, Mr. Speaker, we hope that the conversations will be successful but suffice it to say, that Ministers of Finance know where talk does not work, the other T-A word works very effectively.

With respect, sir, to agriculture, my Government has recently approved a framework, a policy framework, for medical cannabis industry in Barbados. And this will produce value added products for global export and domestic consumption.

The Minister of Agriculture will roll it out in full details in the next few weeks. But the framework includes stringent regulatory and traceability guidelines to guarantee the quality, safety and efficacy of the products being produced and consumed for medical use. In other words, you can't say that any grass is grass. Ensure the health and safety of consumers of medical cannabis and its bi-products are adequately protected by appropriately regulating the importation, the sale, the distribution, the possession, the purchase, the manufacturing, the cultivation and the personal consumption of medical cannabis.

The five basic pillars of the programme, sir, will be:

One, because this is who we are: research and development. We need to partner with the best schools that we can as we will with the University of Guelph and others, the University of the West Indies with respect to research and training.

Two, we have to have the appropriate regulatory framework and the appropriate licensing regime. You just can't operate without a licensing regime and a regulatory framework. And the Attorney General is responsible for drafting those.

Three, that there must be training and certification, as I said, to ensure the safety and efficacy of the products. So that if you say, in alcohol, one of the reasons why bootleg liquor went to regulated liquor is because they can predict the alcohol percentage and it is what it says and when they test it, it is what it said it is. And we have to be able to ensure that we have that level, those levels of standards there.

Four, because we have been a centre for International Business, if we do not legalise medical cannabis, we will lose all of the international business coming from Canada and elsewhere because there will not be able to domicile their companies here, simply because it is not legal and as you know two thirds of our International Business sector really has been driven by the Canadian market in the last 30 to 40 years.

Now. Mr. Speaker sir, we have not made a decision to go to recreational cannabis, that is a decision that we have said is only for the people of Barbados by way of a referendum. And my Government believes that there are other more important things that we have to focus on in the immediate future before I announce any such date for that referendum.

Fifthly, the expansion of the Tourism Industry because we must not make the mistake that was made for three centuries in this country, where for example, we believe that we only produce to export in bulk. We have to trigger and access all of the value-added in the product that we can, so that we are not just exporting medical cannabis, we are looking at the production of oil which have a higher value-added, we are looking at the establishment of paying management clinics in the Tourism Industry so that we can attract people who want to come to Barbados to recuperate and who need access to therapeutic services with respect to pain management and the Ministry of Tourism sees that as a wonderful addition to the product offerings that they have with respect to Medical Tourism.

Mr. Speaker sir, this Project Unit that will be established to be able to bring this industry into reality will be established in the beginning of the new financial year and it will be headed by a Director who will be responsible for championing the programme and an expansive educational and sensitization campaign for Barbadians. You have to explain it to Bajans.

And you know when my moment of truth came, sir? Before the last election when three different Barbadians, one in their 60s, two in their 70s came to me and asked me when will we be able to have access. They didn't want anything to smoke, only one did, because she felt that it was therapeutic and that one had stage three cancer. But the others wanted the tincture and the ointment. And then there was a fourth Barbadian whose daughter suffers from MS and who, when the daughter goes to Canada she gets the medication to be able to stabilise her. And when he said to me when he put the drops under her tongue, and realised how quickly it stabilized her, that he made up in his mind,

he was prepared to enter any dock in any part of the world in order to be able to relieve the pain and suffering of his daughter. And this is not a man who smokes or anything.

There is credible evidence, we see it every week on CNN with the different series that they have now on medical cannabis. And we have a duty to those of our people who are suffering from epilepsy, from rheumatoid arthritis, from multiple-sclerosis, from Parkinson's disease, from cancer, to be able to give them access to those therapies that can work but to do so in a well-regulated fashion.

Similarly, Mr. Speaker, I have made it clear and the written speech has a little more there for you on the roll out of it, but I have made it clear that there must be a role for Barbadians as well in this sector and we are not going to be simply bringing in people to participate in this new industry while ignoring the opportunities for Barbadians both in the growth distribution and management of the sector.

Mr. Speaker sir, in addition to this, my Government, sir, has also, through the Ministry of Energy and Water Resources, been cognisant that we have set ourselves a very ambitious target of a fossil fuel free economy by 2030, at best, or a carbon neutral economy at worst. Mr. Speaker, sir, we are on the cuffs of a major energy revolution that will see transformative policies implemented, which will be grounded in the practical realities of Barbados as a Small Island Developing State. We may not reach there first, but we are certainly going to be among the first in the world to reach it and we must have a credible road map by the end of this year, such that the decade from 2020 to 2030 will reflect that movement to those objectives that I have just made for you.

Sir, transition is based on an elimination of as many fossil fuels for domestic consumption as possible and the export of all hydrocarbons produced on and offshore for the generation of foreign exchange. Over the last ten months, sir, we have been working

on concrete measures to achieve this goal. These include the revision of the national energy policy, the preparation of the implementation plan and that road map to which I just referred. We are also, sir, going to look and see – and I will talk about it a little later – about green energy bonds, which will allow persons to be able to access funding such that when they pay, they may pay in US dollar currency but the yields that they get back, will be delivered in local currency or as a coupon to reduce their electric bill. We see this as an innovative instrument that can make Barbados a leader in solar energy financing.

And let me say, that renewable energy belongs to us and this is one of the areas in which a local participation content will have to be considered, because if you don't come here you don't benefit from it. It is our sun, it is our wind, it is our water, they are our resources and we believe that anybody who wants to participate in renewable energy in Barbados, must partner as we did with the cellular technology to allow for a minimum level of local participation.

The Ministry of Energy and the Ministry of Economic Affairs will settle what that ratio will be with respect to cellular telecommunications – it was 25% in the past.

Sir, this brings me to a slightly difficulty point that I want to discuss. Sir, my Government, over the course of the last two weeks, through the Attorney General has been in discussions with the Sandals Group of companies over the proposed Beaches investment in St. Peter. Sir, we have reached a difficulty moment in the negotiations that may result in the project being stalled or pulled. I have promised this country that I will always be faithful in the communication to the country on what is happening. I do not negotiate in public, but I believe that the country has a duty to be informed of developments when they happen – why and how. And the day that I cannot do it, is the day that I do not deserve to stand in this spot.

Sir, we worked hard to make this project a reality, despite the fact that as an administration, we were not in agreement with the excessively generous concessions that the last Government issued to them – particularly the former Minister of Finance. Sir, without much fanfare, we laid in this Honourable Chamber two contracts in November and made them documents of the House, called Investment Incentives Agreement.

One of the fundamental principles of this Government and of the separation of powers doctrine is that there is always a Government, there is always a Government. This is the Government of Barbados that sits here. The political administration may change, but obligations entered into by a Government with arm's length third parties will continue to bind an incoming Government, Mr. Speaker. It is the approach that my administration followed when, after the last election, we started having discussions with the Sandals Group, on them bringing the Beaches Investment to this country.

For us not to have honoured a contractual arrangement made by a previous executive, would have destroyed our reputation as a country that follows the rule of law. And that we accepted therefore, that we were bound by the terms of the agreement signed by the last administration with respect to the Sandals and with respect to the order made under the Duties, Taxes and Other payments at Chapter 67(b).

In other words, sir, the damage to our Government and our country to fulfil this obligation would be large but measurable, but if we fail to honour the obligation, the damage will be immeasurable and affect the integrity of our reputation as a place where the rule of law obtains or where business is conducted. So, we agreed that we would honour it. Mr. Speaker, sir, however, Sandals wants and continues to want even greater levels of assurances and guarantees than they have already received through these agreements. Sir, assurances that the Government of Barbados will indemnify them if any

future Parliament, at any stage in the next 40 years were ever to tax them for anything in the industry or for any other goods and services that others in the industry were paying taxes for.

Mr. Speaker, it was essentially a position taken by them to make total the range of protection that the group will have against the possibility of any, any, any future taxation for the next 25 years in full and 15 years through extension in this country.

Sir, we are running a country, not a company. This Government cannot play fast and loose with the future of this country. And when we were elected last year, we promised the people that we would not make decisions that will compromise the stability of this country, nor would we act in a manner that is either capricious, with respect to the stability of future generations.

In our judgment, sir, a sovereign country cannot abandon its right to tax, simply because, Mr. Speaker, none of us knows what lies in our future. This is a solemn act that we are committed to when we hold office in this country and in this position.

Mr. Speaker, this gives me no comfort whatsoever – none. Because we've worked hard to make the Beaches Project a reality, but this is one request we cannot give into. The last Government and the last Minister of Finance signed on the 31st July 2014, an investment incentives agreement between the Government of Barbados, Sandals Resorts International 2000 Limited, Luxe BB Property Holdings Limited and Beaches Management Barbados Limited.

Mr. Speaker, sir, they thought that they had almost everything here. At 2-1-1, we as a Government would have agreed to enter into any such agreements with Sandals, Luxe and Beaches or amendments to this agreement such that Sandals and/or Beaches shall be permitted to avail itself at any more advantageous terms if at any time prior to or

during the project or thereafter during the operation of the hotel, by Beaches or any affiliate and any legislation, including subordinate legislation, the development orders and Government policies are enacted or made, or any fiscal incentives and granted whereby provision thereof are more favourable than those granted to Sandals, Luxe and Beaches here.

A lot of fancy language to say, if you give anyone else a better set of tax concessions than Sandals, you have to give Beaches as well. So, in international trade policy, there is something known as the most favoured nation clause that you extend, if you extend to one country certain benefits, you have to extend to another. And I must confess – and most of the lawyers that I have spoken to, have never seen a more favoured nation tax clause until this one – but it is not to say that it has not been there, it just has not been part of the lexicon or the tradition or the governance of this country.

Mr. Speaker, sir, they also had in it what they call a tax regime that is a tax stabilisation clause. And this is perhaps the one that is difficult. Because, sir, what they would require of us now, would be to extend and to make them whole, as I said, if any Parliament of Barbados ever passed a law that the executive now, the people who sit in Cabinet would have to find the money to make them whole if you, Mr. Speaker, and the President of the Senate presided over an increase in taxes. And, Mr. Speaker, sir, they say that that indemnification is necessary because it is not sufficient to have simply an exemption or a remission of taxes.

We say, that that is not posing a loophole, that that is extending something that did not exist before and we would not know how to do it. Similarly, sir, they also indicated that while it deals with new taxes, it doesn't deal with modification of existing taxes and we say too, that that is a bridge too far.

Now, and we do this in all humility and honesty. Because, Mr. Speaker, if not the sector that earns the most in this country, if not that sector, who else then would help pay for the police on the roads and the sewage and almost every other thing in this country? And when it was done, sir, we made it clear that we can honour what the last Government gave you, no problem, no difficulties and when asked which other countries in the region they have it in, I am yet to be told, but I know it is not Turks and Caicos and I know it is not Jamaica and it is not a number of the other countries.

So that, Mr. Speaker, how could we do it? How could we do it? This would be unfair to the Government and people of Barbados. And I don't negotiate in public, as I said. I never have, and I never will. And the Attorney General will continue to meet with their lawyers, but I have a duty to tell you that the project may be stalled or maybe on hold, I don't know which one. But suffice to say, sir, we hope that Sandals will continue, Beaches and will continue to view Barbados as an excellent partner. We want to be viewed as an excellent partner with which to make further investments in the future. And we welcome Sandals here and the jobs that it has provided and everything that it is doing in Barbados and we, sir, are certainly open for business, but Mr. Speaker, it cannot be at any price.

In our current predicament, in the middle of an IMF programme, Mr. Speaker, there is a limit even to what we can accept. And you know, sir, when you are in the beginning of an IMF programme, and you have this kind of gun to your head, I must confess to you, I truly do, and you have daughters, sir, that I now know what it means or what inspired the Me Too Movement across the world. It is an unfortunate moment. I learnt as a child, sir, that if you don't say no to some things it means you will say yes to everything. And having to say yes to everything, is what inspired the oldest profession

known to mankind. And I haven't come to this office to belong to that oldest profession known to mankind, even though my gender may be the same in other people's minds. We strongly support foreign investment in the Tourism Sector, but it has, sir, still to help us carry some of the weight even if not all.

Mr. Speaker, in light of this development, my Government will establish a Commission to review, once and for all, the investment codes and the policies with respect to taxation and incentives. And you know why we can't set the precedent? I have a letter before me from March 11, 2019 from another hotel developer that is going to probably contribute US \$15 million a year, 200 rooms roughly. And there are ten paragraphs dealing with every possible known exemption.

Let me give you an idea: "Exemption from the payment of all duties, taxes and levies imposed of any nature whatsoever currently enacted or which may be enacted within the applicable concession period inclusive of value-added tax, import duty, excise tax and environmental levy in respect to the importation or local purchase of all services and the items used in construction, development, sale, marketing and operation of the project including the refurbishment undertaken from time to time to maintain the properties and the standard of an internationally recognised brand..."

And it goes on and on and on and on.

It then asks for exemption, Mr. Speaker - don't mind the corporation taxes in Barbados have dropped really, really low, Mr. Speaker - it asked for exemption from the payment of property transfer taxes and stamp duty in respect of the following transactions:

The initial sale by the company of the residential villas and condominiums to purchases. Now why would you want -- and this I call the Westmoreland incentive, that you would stop payment of property transfer tax and the first sale of a property, well, you have developed the property to sell it. And there has to be a level of competitiveness; exemption from the payment of land tax on the improved value of the property, now you will soon see why I can't exempt them with that because all of us have to carry a little more burden on land tax shortly.

"Exemption from the payment of all duties, taxes and post of levies in any nature currently enacted or whichever may be enacted within the applicable concession period on the importation or local purchase of a personal luxury vehicle for the personal use of a purchaser of a residential unit with the property." Duty free cars; senior management; purchases of the property.

Mr. Speaker, I can take my seat, I am not being invidious, I am not, I am not, I am not. But I do not know how to run this country if we continue with this mad race to the bottom and I am not trying to be holier than thou either, but there has to be a balance. I want to tell you about the projects that will go now, not the ones that were stalled. Because we must not believe that it is only if we give everything away that we will get something. That is not the case, sir.

In Jamaica, they had to pass a new Fiscal Incentives Act because they found too, that they were going down that road with massive, massive tax concessions and we will have within the Social Partnership, the leadership of the Private Sector, Government and the Unions to come up with a new framework. And I believe, sir, let me say this, that I hope to be able to break new ground and agree to the abolition of Chapter 67(b) which

gives the Minister of Finance the possibility in this country to waive any possible duty whatsoever, only if they gazette it; and the last Minister didn't even use to gazette it. We had to get in here and get on bad to get the Cost-U-less gazette; and to get the Carib Cable gazette; and to get the same Sandals gazette; and to get the other gazettes; and we have come here and I make this document to the house again, and this is not the only one - there were two agreements. And what has made it even worse -- bear with me -- that on the 13th of August, 2013, the Ministry of Finance, the then Member for St. Michael Northwest, stood right there, next to me where the Member of the City is sitting, and he said in that Budget, 13th August 2013, less than six months after a general election, that they found themselves with an economic crisis and that one of the things that they would have to do, is to reduce and remove concession that were being issued in this country, tax concessions and tax incentives, because the IDB and the others told them that it was too high of a cost that the country was bearing.

You know what was the first thing that the Minister of Finance did before the end of that year, having said that it was over \$500 million in incentives that were given away by the Government - not collecting. That is why no one can tell me about Trust Loans in this country, because when we are giving out a Trust Loan, we are giving it out to a Bajan that we know. We are trusting the people that we know. When we are we giving out tax concessions to people who we don't know where they come from - and that is not to say that we don't welcome people, we do. But don't tell me that I can give to people I don't know but I can't help people that I know. Don't tell me that I give large giveaways and then don't help ordinary people to be able to see tomorrow morning.

Mr. Speaker, what did that Ministry of Finance do? Because the records of this Parliament must hold it forever. On the 6th November, 2013, he worked and signed the

agreement, these incentives, having told the country in the Budget less than three months before that you could not give away anymore large incentives and concessions and he then went back and broke -- he went in the words of Star Trek: "Where no man had gone before." And we thought that was it; little did we know that there was the 31st July, 2014, agreement also to come.

Mr. Speaker, sir, we want to be fair and let us deal with how we are being fair, sir. The planning and fiscal laws that we have, have allowed us, sir; we want to have a tourism investment conference that people will know that these are the kinds of projects you can do; these are the kinds of tax incentives you will get from the Government of Barbados.

And already as a result of that and on our discussions with the Ministry of Economic Affairs and the Ministry of Tourism, Ministry of Investments, that we have \$2 billion of investment. Near 20% percent of our GDP over the next three years that we are rolling out now with Town Planning permissions, which will add more than 1500 new hotel rooms and three thousand new tourism jobs.

Mr. Speaker, sir, if we get the Beaches it will move to 2000. I hope we can get it and I hope the Attorney General can meet and reach success in the negotiations there too.

But, Mr. Speaker, let me describe some of these other projects. Mr. Speaker, sir, the last Government sought to sell the Barbados Hilton; we said in the election that we did not believe in the sale of freehold of the Hilton because we didn't know when next we would need to use it again to get us out of a hole. Mr. Speaker, I am happy to report to the Parliament that the Cabinet of Barbados reached, in principle and agreement for a framework agreement with L&R Capital, the same people who the Government before wanted to sell to, who have now accepted that rather than purchasing the Hilton that they

will work with us and invest BDS\$40 million to renovate the Hilton such that it will be able to be refreshed and that they will recoup their investment, not by massive tax concessions or massive deals that don't know any previous precedent, but by allowing us to maintain the current profit levels that we have in the Hilton which is \$7 million and that they will then share in any profits that they can bring about for the Hilton Hotel over and beyond the \$7 million in profit that the Government of Barbados now has. Mr. Speaker, that is the kind of deal that we can live with that protects the public's interest.

Now, I thank Professor Persaud for helping us negotiate that one with them. Mr. Speaker, sir, the Hyatt, we had a difficulty with the Hyatt on two spots in Bridgetown. The member for the City of Bridgetown will tell you that, but we have sat down with the developers, we have sat down with the planners and we have determined that a Hyatt Hotel built on three lots with a fourth lot next door as an open space from vending for Barbadian vendors is a completely different value construct than what was proposed before by the last Government.

As a result, Mr. Speaker, the Government of Barbados the Cabinet Barbados took a decision to proceed with the compulsory acquisition of the land on which Liquidation Centre stands, because we believe that it is in the national economic interest of the country for us to proceed with a Hyatt on a different construct than the original two-lot construct that was there. It means, sir, that the number of rooms will increase but it also means that the amenities can be spread out over a larger footprint than what hitherto was the case with respect to that.

We hope, Mr. Speaker, that we can reach an amicable agreement on the quantum of price but, Mr. Speaker, in the interest Barbados, we have to make sure that economic development can proceed at pace.

Similarly, Mr. Speaker, the lot next door, which is known as the old MG Tucker Property site, I am told that that will also be incorporated. So, as we have said that they has to be greater car parking, greater uses of the land on that side and they must be vending opportunities for ordinary Barbadians to be able to benefit from the tourism development on both sides of the property. We look forward, Mr. Speaker, subject to the receipts of the revised studies and plans which will shortly be in we will be able to move forward thereto.

Similarly, Mr. Speaker, the old Caribe Hotel has been an eyesore in Hastings for how long now, how many years? We have met with the people who are redeveloping it. The promoters are Polycom out of Europe and a modular based hotel will be placed on that site with a 170 rooms facility, and we expect that before the end of 2020 to be completed, largely because of its modular building construction as well.

The refurbishment of Blue Horizon Hotel, under HRL Group, we have agreed, unlike the last Government, that rather than proceed with a joint venture with the Blue Group, that we will sell the property to the Group to allow them to appropriately develop a 189 roomed hotel. They have already started the process of meeting the Town Planning for outline planning and they believe that detailed plans will be submitted within three months to Town and Country Planning, such that they can move forward with the construction on that site.

The Savannah Hotel, sir. The HRL Group has received a very good unsolicited offer with respect to the purchase of that hotel. Because of the commitment of this Government to transparency, we have agreed that we will go for a request for proposals to ensure that if they are other people interested in purchasing that property, they too will

have an opportunity to put in a bid, rather than simply responding to an unsolicited proposal in spite of the fact that it is a very, very good proposal.

Mr. Speaker, sir, the Sagicor Retirement Village on Friday of this week, I journeyed to Boarded Hall in St. George to be able to launch the ground-breaking of a \$200 million Medical Tourism Project by Sagicor that is intended to provide both independent and assisted living for elderly persons. That project, sir, will also be partnered across the road by a Cardiovascular and Oncology Clinic and Mr. Speaker, the Agriculture Impact Assessment for that Cardiovascular and Oncology Clinic is currently being done. And we look forward, therefore, to that being settled as soon as possible.

Mr. Speaker, Sam Lord's Hotel. Sam Lord's, as you know, was intended to be a 400-room, \$400-million hotel project. Construction has started and, in fact, the last Government, I think, had three ground breakings - it was two or three ground-breakings? But construction has started and even though it has started to be finished in December 2020, it might be a little behind time.

Sir, the Government currently owns the project because that was the deal that the last Government did. We have always felt that rather than Government owning the project, that if it was a good project with good returns, the private sector should be allowed to own it and to free up Government which has limited fiscal space and limited capacity to take on additional debt to do other things.

Mr. Speaker, therefore, my Government will issue a request for proposals, to be able to see who else is interested in joining us, either in participation in the equity of Sam Lord's Hotel, or the outright purchase of the hotel, recognising that we have to do so

within the context of the loan which has been engaged to by the Government of Barbados with respect to the Chinese, as a form of buyers' credit.

We understand that when the hotel is finished, it potentially will give a thousand jobs and one of the things that we have committed to is continuity. But the bottom line is, is that we feel, still, that the Government of Barbados cannot carry the weight of Sam Lord's Hotel on its own. In this year when our capital Budget is constrained we still have \$18 million to find but if we didn't have or own it, on our own, we would not have to put it in the estimates, the 18 million of \$30 million that is required from the Government to go forward. And Mr. Speaker, I have not even spoken about the other private hotel projects or expansion. Cobblers Cove; Settlers; Royal Pavilion; new office block, sir, for major entities, Gildan and ICBL, the new Kooyman Retail Hardware that I opened last Wednesday. There is also, Mr. Speaker, Entertainment and Retail Complex at Kendal by Massy that is being planned. And Mr. Speaker, there is a majority Agro-processing Plant that I would probably do the ground-breaking to in early April in St. George that will also add value. We expect, substantial and substantive activity to continue in this country and we will continue week by week through the Ministry of Planning and all of the other Ministries to meet and review the investments to remove the blockages. I want to thank all the public officials who come every Monday under the Chairmanship of the Member for St. Michael South Central and myself, when I am available, which is not always as regular as I would like, but I promise it would be a little more regular; but, every Monday there is a meeting and I get the reports. And what we are doing is removing the blockages; and the reasonable requests that we can remove both for concessions or other blockages as we can do, sir.

As I said, however, there will be a bespoke Tourism Investment Conference on the 24th of April which, Mr. Speaker, will in fact see from Savannah to Paradise a new urban planning, and I hope to share it with the country in the near future, the potential for 12 new hotels, seven expansions and indeed a major conference facility and convention centre. The future of Barbados is bright and over the next seven years we will work to make it happen.

And that is why, sir, I tell you 'Stay the Course;' let us as a country 'Stay the Course,' we got it and we can do it. And Mr. Speaker, I haven't talked about the Public Sector Investment Programme. I haven't talked about the \$130 million road programme, as I said, is the basis of our construction and road; or the work that we will do to renew the plant on the South Coast Sewerage Project. I haven't talked, sir, about the \$8.5 million that we will resume on infrastructure works in the Constitution River on the Constitution River Bridge Programme that was abandoned for the last three, four years, although the money was available from the Caribbean Development Bank. The people of Hall's Road in the City of Bridgetown in the City of St. Michael South Central, deserve better, and this Government will give them an opportunity not only to ensure that we can prevent flooding, but also that we will have aeration of the water for safe public uses, so that you can go in the river and kayak if you want; or do other things; or you can have trees and benches; and that instead of looking like an unsightly place with bush for them come to Cabinet to quarrel 'bout, it would be a beautified place that every Barbadian could be proud — and they are laughing cause they know I come the Cabinet and quarrel about it, that is the truth. But it is critical that we do it.

Mr. Speaker, sir, I don't only speak to you as Prime Minister of Barbados, but I speak to you as Member of Parliament for the people of St. Michael North East, and we have, Mr. Speaker, the tremendous potential for a National Heritage Recreational and Sporting Zone, moving from Tyrol Cot in Codrington Hill; across the road to sporting facilities from the Lumber Company Playing Field to a renewed National Stadium; and going across the road then to the National Botanical Gardens, 250 acres, creating a green space for ordinary Barbadians to recreate and reflect. The Ministry of Environment has already been so keen that it has already cleared the bush on both sides of Waterford Bottom, exciting people in the renaming of that road from Waterford Bottom to Waterford Boulevard.

And you know, Mr. Speaker, what is amazing, you know how many people told me -- and I tell you, that is when you know you going work too early and come home too late, because it took me a week before I saw it. And everybody kept telling me: You ain't see Waterford Bottom yet? And I had to literally go out of my way on a Sunday to drive and see what they were talking about because every night I came home it was too dark to appreciate.

Mr. Speaker, you would appreciate it because it is rare. It lies between you and me and the same Member for St. Michael East, but we go further. We feel that the rest of the land, most of which is Zone 1 anyhow, that goes on the other side of Waterford Boulevard, right back to the Belle must also be an extension of the National Botanical Gardens. And yesterday, I was happy to learn from His Royal Highness, that he is the patron of the Kew Botanical Gardens and also an International Botanical Gardens Society. So that we will work not only with Barbadian technocrats, we already have the

country's landscape architects who have submitted a major design for the first phase of the Botanical Gardens on the old site, but we will also work to create a charity that will have Barbadians and friends of Barbados or Barbadians by choice, as I like to call them, so that we can make a difference and have the framework so that Bajans coming home next year for The Gathering, can want to sponsor a tree, can want to sponsor a corner, can all help to make the difference in this wonderful arc, site of beauty that we want to be able to do. Mr. Speaker, the growth and development challenge, therefore, is environmental too.

But, I go further, now, sir, on the question of financing. Because you can't have growth and development unless you have access to financing. And Mr. Speaker, sir, Barbados is not short of capital. There is over \$9 billion in saving in this country, 9 billion. And Mr. Speaker, what we are having a problem with is that most of those savings only earn 0.1% or less in the banking system. So, what we need is to find a mechanism to unlock these savings for domestic investment. And we believe, sir, that a critical part of our Growth Strategy, are six initiatives - and I want Members to listen carefully, please.

To mobilise domestic savings and support the spread of ownership of assets to ordinary Barbadians, that is why we were elected. In other words, a programme, as Sir Henry Forde would say, of economic enfranchisement.

One, the Financial Services Commission, sir, will create a regulatory regime to create new types of investment funds centred on small investors, such as platforms for crowd-financing and peer-to-peer lending. On a crowd financing platform, sir, small investors invest equity in new projects.

In peer-to-peer lending, small investors lend collectively as a group to borrowers. Unlike in the past, when only banks were presented with investment opportunities and people were asked to provide funding at 0.1%, we believe that we can supplement the work of the banks by ensuring that all Barbadians have the ability to participate as investors in the crowd funding or peer-to-peer lending projects.

Two, I spoke to you, sir, about the development of the green bonds, the green energy bonds, where we can seek to attract people investing their money, particularly those who want to invest in foreign exchange and they get their return on their investment through a coupon with respect to their electricity bill. This is obviously at the very early stages and we will be working with the Barbados Light and Power to see how best we can develop this as a precedent, not just for Barbados but for the rest of the Caribbean and the world.

Third, this is not a long shot: Barbados will establish a Unit Trust Corporation, a National Unit Trust Corporation like Trinidad and Tobago because we have to find a way to be able to mobilise and collectively allow the savings, the almost \$2 billion of the Credit Union savings to be able to be effectively utilised in investments through the Unit Trust Corporation.

Fourth, the Financial Services Commission will work with the Barbados Stock Exchange to create an Innovation and Growth Market that will work for small or start-up companies with a capitalisation of greater than \$2 hundred thousand and with at least 30% of the ownership available to investors. Mr. Speaker, sir, we see this as the key platform that will enable Barbadians also to tap into some of this investment

opportunities with the \$9 billion of investment on a parallel track to the National Unit Trust Corporation.

Mr. Speaker, sir, the truth is that the junior market has never taken root in this country, largely because the rules in the junior market of the Barbados Stock Exchange have been overly restricted. We need to revisit them because unless we create these opportunities with the capital here and the projects here, we will continue to become victims in our own country and tenants in our own country instead of owners of all that we oversee.

Fifthly, we will develop a programme for using the local stock market to spread ownership of Government assets through small denominations, as I said, in the Sam Lord's Castle or large, and in the Hilton Hotel ultimately, to ordinary Barbadian investors.

Sixth, I have asked the Ministry of Finance to begin the process of building a robust and open capital market in Barbados. Why? All of the money that we just spoke to that will go in bonds to people. CLICO! There are some people who may not be prepared or cannot wait the 15 years to get the returns on those bonds and who may want to sell them upfront now at a discount because they need lump sum payments right away that the Government of Barbados cannot give them. When we do this, we create a secondary market that will literally unlock opportunities that do not now currently exist in the absence of that second market.

So, Mr. Speaker, sir, they say we have no Growth Strategy. If I was not tired, sir, I would continue with the Growth Strategy.

Let me now come, sir, to the Budgetary measures very specifically. We can only reach there by staying the course. We are not there yet, don't fool yourself. We are getting there and the future looks bright, but we are not there yet.

In some instances, sir, it will require some relief and in some instances it will require additional revenue measures. So, let us go. I am asking those who can afraid to lift a little weight, let us lift it for a little while longer. But I am equally saying that there are some among us who need to be protected and who need some relief as we go forward because they cannot carry anymore.

When I first started to practice law there was a brilliant Barbadian Queen's Counsel that the Mighty Gabby immortalised in the song "Jack don't want me to bathe on my beach". His name was John Stanley Bruce Dear — Jack Dear. And when he first started to practice law he used to say: "You have to charge what the traffic can bear." And then, Mr. Speaker, sir, taxes in this country have to go to what the traffic can bear. There are some people who can bear no more and there are some people who can bear more.

Sir, between 2009 and 2017 the last Government stripped Barbadian Income Taxpayers of their capacity to consume and save at the levels that they were saving in 2007. They froze the salaries of Public Sector Workers for 9 years, and that in turn triggered a reaction in the Private Sector that contained salaries regardless of the performance of individuals, entities or sectors. Sir, the effects on consumption and savings were evident in the decline of economic activity in the countries. These effects were compounded by the removal of almost all the allowance and deductions for income purposes.

In the face of these measures, spending power of Barbadians fell drastically. Our collective humanity, sir, demands nothing less than the pursuit of social justice and fairness for we know that it affected the most vulnerable in our society more than any other. Tax and expenditure policies are critical, sir, if we are to play a role to be able to balance the burden. This brings us, therefore, to a mix of taxation that is just and fair. We have to balance the choice, as I stood here in December and told you, between direct and indirect taxation; taxing income verses taxing wealth and consumption and sharing the burden of taxation across businesses and households and locals verses foreigners and tourists.

Sir, in this regard, when we come to income taxation, we have to balance a set of tax tools that includes the rates; the treatment of allowances and the use of credits. Ultimately, the aim is to protect the most vulnerable groups, using the ability to pay criterion, while allowing for more disposable income in people's pockets to fuel growth in the economy. Almost two-thirds of our taxes are based on fuel by transactional activity. So, the larger the amount of activity, the larger the tax take ultimately. That's why these initiatives are so important for to us fuel.

Mr. Speaker, sir, in terms of in direct taxation or a tax on expenditure, the emphasis is on the efficiency of the tax and the use of exemption verses zero-rating in the VAT system to protect the poor. Sir, it is widely accepted that a well-designed Value Added Tax is the preferred tax for raised adequate revenues with the smallest negative effect on economic growth. The one thing we have to guard against is the effect that it has on the poor to lowest income groups and that is why, sir, we came up with the concept of Reverse Tax Credits as a Government in a previous Administration.

The country's capacity to continue to carry extensive zero-rated schedules for all in the society is challenged after a prolonged period of economic decline. Why, Mr. Speaker? Because zero-rated goods require Government to give the businesses significant refunds. One lawyer described zero-rated goods to me as a raid on the Treasury; exempted goods as something that companies run from. And Mr. Speaker, what we have had is a system that has been so bastardised over the years that it does not properly function and that it does not also allow for us to focus on what ought to be truly zero-rated and what ought to be truly exempted. What is necessary, sir, to change the Schedule from zero-rated to exempt for the most part, to reduce the local level of refunds, we must provide for the protection of the most vulnerable and, as I said, Mr. Speaker, sir, a previous Government used reverse tax credits to be able to deal with this.

Currently -- previous Barbados Labour Party Government, don't get tie up. Currently, persons earning up to \$18,000 will get a reversed tax credit of \$1,300. Mr. Speaker, however, there is a group of persons who do not now pay income tax because they earn less than \$25,000 but they earn more than \$18,000 and hence, they are also not getting the reverse tax credit so that they are in no man's land. Mr. Speaker, these persons still pay VAT, as much as we continue to have a number of services which do not carry VAT, they also still have to pay VAT on cleaning supplies and some of the groceries that they buy and other things in the society. My Government, therefore, beginning of income year 2018, which is now gone and for which filing will take place from the 9th April, will offer protection to the 7000 Barbadians who now pay -- who now earn between \$18,000 and \$25,000 a year by giving them an entitlement to the reverse tax credit of \$1,300 from this year in September.

Mr. Speaker, sir, this will cost the Treasury \$9 million but it will make a meaningful difference to 7000 Barbadians who can then get the benefit of a \$1,300 cheque once they file their income taxes in April, they will get the cheque usually by September of this year.

Mr. Speaker, sir, immediately, that will add to the \$11.3 million that we are currently spending on those who get the same \$1,300 who earn between zero and \$18,000. So, it means that overall the Government will be giving back \$20 million to Barbadian workers who earn under \$25,000 and you only need to look at the Schedule of Personal Emoluments to see the kinds of workers that earn under \$25,000 in this country, sir.

Similarly, sir, we are going to introduce something new. We will continue to provide the \$25,000 personal allowance for all taxpayers in Barbados. Everybody knows the first \$25,000 is tax free. That is known as your personal allowance.

For those persons who earn above \$25,000 but earn below \$35,000 per year, my Government is going to introduce a new credit called a compensatory income credit. In essence, Mr. Speaker, no one earning less than \$35,000 in Barbados hence forth, will ultimately pay income taxes because they will get a tax credit. That means that the money that they pay monthly will be returned to them when they file their income taxes and that tax credit will be up to \$1,250 or whatever they paid to bring them back to a zero tax position.

Mr. Speaker, sir, it is a non-refundable tax credit that brings the tax paid in this income range, as I said, to zero. And why we go this way, sir? I would have loved to come here today and be able to carry the personal tax allowance to \$35,000 for

everybody, but I can't. So, what I will do is, we will use tax credits in future to be able to target the groups of people that we need to help. And to that extent we believe that those persons earning under \$35,000, in the Public Service, we are talking about Ambulance Drivers, Airport Security Guards, Assistant Store Keepers, Receptionists, Drivers Operators, Messengers. These people will now not pay income taxes because they will get an income tax credit.

Well, Mr. Speaker, the tax will still come out monthly but what happens is that when they file in April next year they get back the cheque. So, we bring them back to zero, zero, zero. You can almost call it a form of fore savings or a Government meeting turn. A Government meeting turn!

Mr. Speaker, sir, we have introduced these two types of credit approaches to protect low-income Barbadians as we change the incidence of taxation. Sir, this compensatory income credit will cost the Treasury \$13.4 million of disposable income. And it will, as I said, come not in this fiscal year, but in fact in 2020 to '21.

Similarly, Mr. Speaker, in the VAT system, Exports are zero-rated. This allows all of the VAT paid on inputs to be claimed back by companies. The concept of value-added is easy in manufacturing, where the value of the good is measurable at all stages of the production and supply chain.

In the area of services, sir, the Export of certain services is not quite an easy measure to measure. In the circumstances, in these circumstances, we are going to move the Export of certain services as scheduled from zero-rated to exempt. This will help us to begin to broaden the base of the VAT and to help us to contain the rate of the VAT and the schedules, sorry, the refunds that have to be made.

The first one, Mr. Speaker, sir, is water, we are reverting to the original classification for value-added tax for water. Water used to be an exempt supply when the Value-added Tax Act was first passed. It then became zero-rated. This change now has to be made for it to go back to exempt so that that Government does not have to provide the refunds to either private suppliers or the Water Authority and this will save about \$10 million in refunds when the year comes, in a full year. The change will start from the 1st April 2019.

Mr. Speaker, sir, and the Water Authority will have to stand on its own legs as we will come to talk about very shortly.

This brings me, sir, to the VAT on the accommodation sector. Last year I spoke and indicated that the value-added tax would go to 15% from the 1st January 2020. The Tourism Sector has made a strong case for us to limit the cap to 10%, the increase to 10% because the value inclusive packages have to be marketed internationally and make the product of Barbados uncompetitive in the international market. We will still seek to yield the same level of revenue but by different mechanisms. So that as of the 1st January 2020, the VAT on the accommodation sector will move from 7.5%, Mr. Speaker, to 10% in this country.

Mr. Speaker, in addition to that, we expect that in a full calendar year, yes, calendar year, sir, that would normally yield us \$72 million. But because it is only being implemented on the 1st January 2020, the benefit for this fiscal year will only be \$4.5 million, sir. You will shortly hear me speak about what else will be done to make up that gap that will otherwise be there.

In addition, sir, the Villa Sector in Barbados continues to be a prime beneficiary of refunds in value-added taxes, because they charge VAT at 7.5% but they are able to

offset refunds at 17.5%, Mr. Speaker. As a result, from the 1st April 2019, the Villa Sector will move to be an exempt status supply under the Value-Added Tax Act and will no longer be zero-rated under this legislation. This is intended to ensure that this sector carries its full share of taxation in this country by not receiving ongoing refunds from the Barbados Revenue Authority (BRA).

Mr. Speaker, sir, similarly, that shift to exempt status should save the Government at least \$5 million in refunds that it is currently paying back to the Villa Sector.

Mr. Speaker, sir, over the years, the changes in the design of the VAT system have really compromised its base. We are trying to perfect as much of it today, but we recognise that the absence of data in our system is such that we cannot do it in one fell swoop. We believe we can do a lot of it but it still will require detailed work. The narrowing of the base has put pressure on people to believe that you had to increase it even more and more. We know that the changes that we made to the Corporation Tax Sector will cause me to have to announce adjustments for the Income Tax Sector and hence the broadening of the base of the VAT is absolutely critical as well as the ability to use land tax to stabilize the revenue of the Government.

As a result, Mr. Speaker, we will seek to further arrest the base-erosion by changing the status of other items in the Schedule 1, as I said, and moving some of them to Schedule 2. I want to make it clear, sir, that my Government is not going to change or affect the policy or the law with respect to education services, with respect to medical services, with respect to transport, with respect to financial services, which is difficult for the average person going to a credit union or a bank in terms of VAT.

And, Mr. Speaker, sir, with respect to basic food items. There are, however, sir, some items within the system that we will have to be able to review within the food

system no more than 20% of the existing basket that will allow us, sir, to be able to move some of these things to the exempt schedule.

Technically speaking, meaning that the suppliers of these goods should not be able to benefit from refunds, but equally they should also not be passing on the increases to you. But we live in the real world and we know what happens. So, we know that there is a risk of it.

Some of these things, sir, relate to things that we believe that you can get locally or find substitutes locally and therefore, if you want to buy imported items such as these you should be able to pay a little more. Haddock, yellow fin tuna, fillet of yellow fin tuna, eggplant, celery. These are all things imported - not locally produced. Red kidney beans, avocados, ortaniques, lemons. They got 'nuff' limes in Barbados. They got golden apples, apples, pears, strawberries, raspberries, blackberries, blue berries, kiwi fruit; luncheon meat in a tin that isn't good for you; fish, caviar, rice, paper, liver. You got local liver you should be buying, not overseas frozen liver. Frozen turkeys. They got local chickens and local turkeys that you could be using.

Mr. Speaker, sir, we have to seize some of the base if we are going to protect people in this country. This is Appendix 5 and the orders will come down for the change, such that this is to be effective the 1st April 2019 with respect to those things that have to go.

Whatever the price effects, the Ministry of Consumer Affairs needs to monitor it to ensure, because we are protecting, Mr. Speaker, the majority or the basket of goods. Cauliflower, all of the other things, other fish, dolphin, all of those things on the majority,

stew beef, all of those things would be protected. But what we can't do is continue to have an open-ended system while we try to protect those at the bottom of the system.

Mr. Speaker, sir, there has been a lack of clarity with respect to too many provisions of the Value-added Tax Act. And, Mr. Speaker, one of the things that has deeply disturbed me is the inability for people to indicate whether persons ought to be paying VAT on the point of import with Schedule 1 and Schedule 2. A country cannot run like this. And, therefore, sir, I give the country the assurance that we will establish a working group within the Social Partnership to review these matters and to report back within two months. This is so there will be absolute clarity as to what should be the incidence of VAT on the importing of certain goods that are zero-rated and exempt rather than the confusion that takes place now among suppliers who have to be the ones importing.

We expect, Mr. Speaker, that these changes here will allow, with respect to the movement of these goods, for the generation of net revenue of approximately \$7 million over the course of a full year.

Mr. Speaker, sir, the Existing Item in Schedule 1 to be moved to Schedule 2 will also include a part of this \$7 million:

"(5) A supply of scheduled goods by an authorized person to a tourist, where the authorised person obtains evidence satisfactory to the Comptroller that the conditions specified in the Customs (Drawback of Duties on Sale of Goods to Tourists) Regulations, 1958 for the payment of drawback of duties in respect of goods have been complied with."

And then it goes on, Mr. Speaker, at subparagraph (6) and specifies further. And similarly, subparagraph (5) and (6) also:

"(5) The supply of services to a shipping line by an agent of that line for the services required by a vessel of the shipping line during its stay in port."

Most of this is labour, sir. And:

"(6) The payment of charges for the supply of stevedoring services require for the cargo handling operations of a vessel."

"5A. A supply of water or sewerage services..." I spoke to you about that earlier with the Barbados Water Authority.

"19. A supply by hoteliers of a service providing hotel rooms free of consideration to foreign travel agents or other foreign persons in the travel trade and certified by the Barbados Tourism Authority as part of the hotel industry's marketing strategy."

These just simply move from being zero-rated to exempt. In other words, the suppliers of these services cannot claim back the VAT when they supply the services but must absorb it. Why? Because the Government is paying out too much refunds on these items and it is therefore having a negative impact on our revenue.

Mr. Speaker, sir, we also will be moving this year to the new method of collection of VAT online. Parliament has finally passed, this House has finally passed the legislation. And I apologise to the country for it taking so long. But the bottom line is we are breaking new territory with the online collection of an existing tax. It is not a new tax. It is an existing tax with a new modality for collection. We have already said that when you pay for it, when you bring it into the port, you bring the evidence to show that you paid for it, then you do not have to pay again. You will only pay the difference if there is any further VAT on the insurance and the freight of the particular goods.

We also believe, sir, that people must know that and the public education exercise has started. That there are millions of websites but there are only a few payment processes in the world. And it is the payment processes that we are going to help us to collect this tax and not trying to get to millions of websites across the world.

Mr. Speaker, sir, there will be no double collection of the value-added tax and Barbadians can rest assured about that.

Now, Mr. Speaker, let me speak to the room rate levy at this stage, because it applies to the accommodation sector. The introduction of this levy was met with some scepticism last year by the industry. In fact, I think a number of them cursed very badly. But this same levy has now been found -- the Minister of Tourism is laughing because he knows what I am talking about -- they have now come back and realised that this levy is effective. And rather than abandon the levy, the sector has agreed that we should seek to be able to increase the fees on this levy. Accordingly, from the 1st April 2019, the room rate levy will be increased by 75% across the board.

- Apartment from BDS \$5.00 to \$8.75 per bedroom per night.
- Guest House from BDS \$5.00 to \$8.75 per bedroom per night.
- Hotel "B" Class from BDS \$5.00 to \$8.75 per bedroom per night.
- Hotel "A" Class from BDS \$11.00 to \$19.25 per bedroom per night.
- hotel Luxury class from BDS \$20.00 to \$35.00 per bedroom per night.

- Vacation Rental Properties from 2.5% to 3.75% of the rate charged per bedroom per night, however, where that amount exceeds BDS \$35.00 per night, the rate to be charged shall be BDS \$35.00 per bedroom per night.

- Villas from 2.5% to 3.75% of the nightly rate. However, where that amount exceeds BDS \$35.00 per night, the rate to be charged shall be BDS \$35.00 per bedroom per night.

This measure, sirs, shall yield the Government of Barbados an additional \$15 million over the course of a full year, starting from April 1, 2019. This is on top of what it has already yielded in the last fiscal year.

Mr Speaker sir, one of the major principles we have outlined in our broad fiscal policy is that the burden must be shared by all of us, in accordance with our ability to pay. In this vein, we believe that the time has come to shift the burden of taxes from income to assets. Breathe easily, sir, we are not introducing a capital gains tax. We do not believe that it is appropriate for us at this stage at all. However, sir, we believe that we must tax assets. But in so doing, we must protect low-income earners who we want to encourage to own assets. And as a result, sir, we will not trouble the exemption now for land taxes such that all houses valued \$150,000 or below will continue not to pay any land taxes in Barbados.

Similarly, there we will not increase the rates for land tax for people who own properties between \$150,000 and \$450,000. Because these are the very same people who have been on the front line of the adjustment over the course of the last decade and who

will drown. And it makes no sense saying that you want to keep their heads' above water if they're dead.

Mr. Speaker, sir, however, there are others who can carry some weight:

One, properties valued above \$450,000 up to \$850,000 will now attract an increased rate from this fiscal year 2019, '20, of 0.7% up from the old rate of 0.45%.

Properties with a value of over \$850,000 will now pay a rate of 1.0%, up from 0.75%. The maximum amount of tax that can be collected on any such a property will now move from \$60,000 per property to \$100,000. In other words, the cap was previously at \$60,000, it will now at \$100,000.

Mr. Speaker, the rate on non-residential properties, what people may colloquially call commercial but non-residential is how it is defined, will move from 0.7% to 0.95%.

In an effort to protect low-income property owners, sir, we have decided to exclude vacant lots of 4,000 square feet and under, but what we want to do from any increase in property tax, so they will continue to pay, Mr. Speaker, property tax at 0.8% if you have a property 4,000 square feet and under. But for those properties over 4,000 square feet, we want to encourage you to use your properties in productive ways. And therefore, if you leave it idle, you will be taxed at 1.0% on the excess of that site value if it is vacant. We don't only want you to clean it up, but we want you to use it.

Mr. Speaker, sir, the expected revenue from these changes -- and there is one other, sir, we will no longer have the 10% discount, we will cap the discount for the payment of land taxes at 5% but we will be issuing land tax bills not in September from this year, but from the end of May. And persons will have June, July and August to

benefit from the discounted rate, but the discounted rate shall now be 5% and not 10%, which will in turn save the Government a significant sum of money by capping that discount.

The expected revenue from the changes to property tax rates, Mr. Speaker, is \$61.9 million. It is to be noted, sir, that non-residential properties, in other words, the commercial, will be responsible for almost two thirds of this increase in land taxes, \$39 million. And, Mr. Speaker, this is consistent with us asking those who can afford to pay more to do so. But more importantly, these are the same entities almost virtually being owned by companies who would have benefitted from the lowering of the corporate taxes in Barbados and therefore can afford to pay a higher tax on assets, having had a significant reduction in corporation taxes. So, Mr. Speaker, shifting the burden from income to tax on ownership with respect to these companies is part of our philosophy.

In a similar vein, sir, the high-end of the residential market, people who own properties more than \$450,000 to carry a little more burden for now, but we protect those under \$450,000 and particularly those under \$150,000.

I now come, sir, to the alignment of residential and corporate water rates in Barbados. This is part of our effort to assess the use of water and its pricing. In addition, sir, we want to innovatively address the question of conservation.

Typically, we expect on the basis of fairness that businesses should pay more for water than households. That's what most people would instinctively recognise. But in Barbados the business sector is seen as an intermediate input in the production of some goods and/or services. On the other hand, Mr. Speaker, water is an essential component for households. Yet we have an anomaly that exists where households using more than 40 cubic metres pay for water at a higher price \$3.16 per cubic metre more than companies.

Companies, Lordship, pay for water at the amount of \$4.66 per cubic metre irrespective of how much they use, but households pay for \$4.66 when they use between 20 and 40 cubic metres, but over 40 cubic metres households pay \$7.78 per cubic metre. This is an unfortunate anomaly that has existed in Barbados now for nine year. It cannot continue.

Before I get to that, sir, let me say that we expect that it has to be changed because water is still a scarce commodity in this country. Everyone knows, sir, what happened at the South Coast Sewerage Project because it exploded into a national crisis. But it is only ever so often that we know what is happening in St. Joseph, St. Thomas, St. Lucy, St. Peter and St. John, because what is going on there is equally a national crisis, but you don't hear about it, because it is not in the papers in your face all of the time.

We have, therefore, Mr. Speaker, to address the massive deficit in our water infrastructure in this country, it is vitally right for Barbadians. The Water Authority has more than \$200 million, not in total investment needs, but in urgent investment needs and roughly half of which, Mr. Speaker, is accounted for by the South Coast Sewerage Project. We will finance these projects in three ways:

One, we have already started to reduce some of the inflated contracts that we spoke about with the Water Authority.

Two, we will complete the urgent financing request with the CDB and the EIB with respect to projects for the Water Authority.

Three, and crucially so, Mr. Speaker, we have to correct this anomaly in the tariffs. It is not an increase in rates, but it is simply applying to businesses the water rates that they should have been charged to keep it at the same level as households.

Mr. Speaker, sir, it is not widely known, and I have taken this time, that Barbados have some of the lowest water rates in the Caribbean. And let me tell you what I mean. Our water rates, sir, are one-sixth of what it is in St. Lucia for the commercial level - one-sixth. With respect, Mr. Speaker, sir, to St. Kitts, our water rates are less than half of what it is in St. Kitts. In Antigua, our rates are one-eighth of what it is in Antigua, one-eighth. Mr. Speaker, in Dominica, the land of water, our water rates are half what it is in Dominica even though Dominica is the land of water. In Grenada, our water rates are just under a third of what it is in Grenada. In Jamaica, one-sixth of what the commercial water rates are in Jamaica. In the Bahamas, one-fifteenth because they have a serious water issue. In St. Vincent, less than half of what it is in St. Vincent. Mr. Speaker, sir, in Washington DC, almost half of what is in Washington DC.

The only places that I can find with cheaper water rates than Barbados are Trinidad, because it has cheap energy, and Toronto because it has “nuff” water and cheaper energy as well. Mr. Speaker, we cannot continue living in the clouds, cuckoo-land. We have to meet realty because we are a water scarce country.

Now, sir, because we are a water scarce country, we propose to do some things to help Bajans save money in their water rates. When you, sir, have lower water bills it is not only because rates might have gone down, but it is because you are using less water. So how do we help Barbadians save water, use less water and pay less on their bills. We, therefore believe, Mr. Speaker, that the Barbados Water Authority, for those who cannot help themselves, and they are a lot, who should make available interest free loans over a

24-month period to allow those households that want to change out their water toilets, their faucets and their shower heads to water saving devices.

And why? We estimate that the water bill savings per year for a family of four is going to be about \$769 from using a water efficient toilet. If you use a high-end model at approximately a cost of \$1,000 then the toilet would pay for itself in 1.2 years I am told. And if you do one that is a lower end, around \$500, you can pay for it within 7 or 8 months with a low-end model.

Mr. Speaker, householders can feel free to change out their own bathrooms - faucets, shower heads and toilets because it makes sense. You pay less, but apart from anything else you are saving the world in which we live by using less water. But for those who don't have the cash up front to do it, we are going to put a system in place where you can register with the Barbados Water Authority. They can have it done for you and then put it on to your bill and you pay interest free up to a two-year period. This is what makes sense for us to change how we use water in a water scarce country.

Similarly, Mr. Speaker, as previously mentioned, we are a water scarce country. We are going to have to require that all houses being built after the 1st January 2020 over 1,000 square feet install a portable water tank. I would like to say all houses period, but I am a realist and I understand, but let us start where we can claim ground, and let us move then to those under 1,000 square feet. Let us encourage them to do it but without necessarily making it mandatory because these are the same people we have just sought to protect in our tax system.

Mr. Speaker, sir, as to the alignment of the rates, I have indicated that we will bring legislation to have that anomaly with corporate tax rates. There will be no increase in water rates for households in Barbados, period, but there will be a correction to the fact

that companies will have to pay for water over 40 cubic metres at the rate of \$7.78, which is what households currently pay. Because we recognise, Mr. Speaker, that some entities are heavy users of water, we will place a cap on it of 1,200 cubic metres such per month, such that whatever the bill is beyond that, the hotel or the farm or the manufacturing firm will not pay beyond 1,200 cubic metres at that rate going forward.

Similarly, Mr. Speaker, it will mean we expect that that will raise the Water Authority to at least \$2.1 million per month, but we also accept that there will have to be a consequential change in the Garbage and Sewerage Contribution fee for companies, not for households. And therefore, the Minister of Water and Energy will come back to this House to allow you to know what the adjustment will be for companies, because we can no longer sustain a 50% contribution fee if you are increasing the rate as we are doing at this point in time, and he will bring that back to you very shortly.

I want to say, Mr. Speaker, you know, what is half the problem? The lack of proper data. We have 18,000 less customers at the Water Authority than the Barbados Light and Power has; 18,000 less customers. And while we know, sir, that part of the difficulty relates to the fact that ownership of land means that multiple people may have their water rates registered in one person, we cannot make up for that adjustment in that explanation alone. The Government has therefore determined that we should seek to work with the Barbados Light and Power to be able to issue a new billing infrastructure for the Barbados Water Authority to be able to bring about the efficiencies and the integrity of data for the Barbados Water Authority.

Similarly, that cooperation between the two utilities will extend to joint venture arrangements in renewable energy, given that the largest cost in the provision of water in this country is in fact the cost of energy and electricity.

Gaming. Mr. Speaker, Barbados has had a gambling industry since the 1970s under the Betting and Gaming Act. It allows for slot machines, VLTs, sports betting and lotteries. The two areas that have not been operating in Barbados, sir, have been on-line betting and gaming tables poker, blackjack, et cetera. There has been a strong request from investors within the tourism sector to extend the presence of gaming tables and machines in private members gaming establishments that will focus primarily on visitors to Barbados. All transactions in these establishments will have to be in foreign exchange, and will be used to boost the earnings of the country, so that we can go forward with a greater degree of attractiveness within the tourism sector than currently exists. Mr. Speaker, sir, any such establishment that the Government allows will have to be linked to high-end mega investments in this country, mega tourism investments.

I don't gamble, sir, never have, but I recognise that there are a lot of people in this world who do, and that they are those -- oh, I don't even do Bingo; I don't even bet on elections. I count numbers. I don't gamble. But I understand, sir, that they are those who come to this country, who want to do it, and they are a lot of people in the world, let us not fool ourselves, in particular from China and elsewhere who see gambling as an essential part of a recreational vacation.

Mr. Speaker, there are countries across the world who now do it in ways that are adhered to the highest possible regulatory standards and probity. We, sir, will also introduce, in addition to that, a regulatory regime for online gambling as we now live in a digital world. But may I say, sir, that the movement on both of these will require consultation with both the social partnership and the church and civil society, as to what conditions we put in place to be able to introduce these. We recognise that we still want to put and consult as to the appropriate provisions to protect all.

The private gaming establishments, Mr. Speaker, will be targeted at tourists and foreign currency transactions and the online gaming is a different matter, but we live already in a digital world. Mr. Speaker, sir, what must be of particular note to you is that the gaming industry in Barbados has not paid any taxes in this country, the slot machine owners, since the middle of 2011. They told us that they had reached a 'Standstill Arrangement' with the previous Government with respect to license fees.

Mr. Speaker, I must confess that there is no public record in any of the Government's files of such an arrangement, and no public officer has been able to bear witness to such a 'Standstill Arrangement' taking place. In fairness to these persons they indicated that they met with the previous Prime Minister and the previous Minister of Finance, but it was simply that there is no public record. We have therefore, Mr. Speaker, to recognise that this was clearly some kind of political undertaking at best but there is one Government.

Mr. Speaker, effective May 1, 2019, we need to change these things. There will be a 20% withholding tax on all gambling winnings in Barbados. If you, Mr. Speaker, are prepared to risk \$1.00, stop short and put 20 cents in the Treasury for me, if you win. The rest is yours. But you can't risk money and not be prepared when the country is in difficulty to leave something with the Treasury. It is a case of what is essential and what is optional playing out itself in this.

Similarly, Mr. Speaker, there will be a 17.5% Value Added Tax on all gambling on the net-drop of all gaming establishments. Gaming establishments have until the January 1, 2021 to change out all of the current old slot machines to auditable new machines. This will allow Government to be able to remotely access and monitor those machines.

Mr. Speaker, I want to make it clear that the 20% withholding tax on gambling winnings is limited to lotteries and to betting and not to slot machines or video - VLT, Video Lottery Terminals. Those will be subject simply to the 17.5% VAT on net drops.

Mr. Speaker, there is also the small matter of the taxes not paid since 2011. We will, Mr. Speaker, collect 3% as they have suggested, and we have agreed that we will collect 3% of the monies owed for the period 2011 to 2018, over a four-year period because we recognise that many of them are not in a position to pay this money in one fell swoop. And, therefore, in the same way that Government will pay other suppliers over four years, we have agreed to accept payments from them for that 2011 to 2018 period at 3% of the monies owed over a four-year period.

Finally, Mr. Speaker, gambling and its regulation is a highly specialised area and, it is absolutely clear to me that one of the reasons why we have this unfortunate turn of events with respect to the gambling and taxes is because there is very little expertise in the Government with respect to gambling and regulation in betting and gaming.

Let us call a spade, a spade. Government does not know how to regulate this sector. If we are now going to expand the range of offerings for the tourism sector, then it is clear to us, sir, that we need to outsource and to go into a public-private approach towards regulation. Accordingly, the Government of Barbados will advertise through RFP for partnership with an entity to help us with the regulation of this sector where we will have, Mr. Speaker, a revenue sharing model. There are simply certain sectors that require a high level of technical expertise to appropriately monitor and regulate conditions over a long period of time. It is a new form of governance and breaking ground.

Clearly, the winner of that RFP cannot be any current participant in the gambling and betting and gaming sector in this country, and has to be fully at arm's length from any participation in that sector. It means that we will have to go regional or international for the expertise to be able to help us manage this process.

Mr. Speaker, Local Transport. The failure -- we are coming close to the end. The failure of the last Government to purchase a single bus, a single bus in over ten years has put tremendous pressure on the ability of the Transport Board to deliver a quality, reliable and efficient public service in transport. Over the same period, private owners have increased their share to about 80% of the market.

Sir, what we saw was that the last Government effectively privatised transport in Barbados, call a spade, a spade. They increased the number of licenses for Public Service Vehicles from 500 to more than 800 PSVs within the last five years. The fleet of the Transport Board buses fell from 160 to 70, and dropping depending on what day of the week you catch them or simply more.

The annual financial condition of the Board, and we discussed this with the workers on Friday for over four hours, is such that it is earning \$20 million a year and spending \$63 million a year, requiring a subsidy at a minimum of over \$40 million a year in this country.

Mr. Speaker, sir, since 1989 there has only been one increase in bus fares across Barbados, that of 50 cents. Name me, sir, what other commodity that has only increased by 50 cents in 30 years? The Minister and his officials did a wonderful job of explaining the challenges when they went in the Well of Parliament during the course of these estimates. Not even a Coca-Cola that you were buying for a dollar, \$1.25 in 1990, 1991. Now, you are paying \$3.50 and \$4.00 for the same Coca-Cola. In the words of,

who is it, PJ: "Diesel gone up." Well, this ain't rice that running no van now; diesel gone up, insurance gone up, tyres gone up, wages gone up, all kind of items gone up, and the Government of Barbados is having to find \$43 -\$45 million in a good year, sometimes more in a bad year, to be able to subsidise the Transport Board.

Accordingly, Mr. Speaker, we have met with the private Transport Sector and the public Transport Board and determined that the situation is untenable. I must tell you, sir, that there will be changes, and that accordingly from 15th April 2019 bus fares will go to \$3.50 in Barbados. We recognise that heavy users of the transport system will need to have discounts, and therefore the Transport Board will be announcing shortly the provision of weekly discounted packages, monthly discounted packages and transfers.

But, Mr. Speaker, what we can't do is to keep the bus fare at \$2.00. The last Government proposed to carry it and had a Paper, and the member for St. Michael West Central produced the Paper in the context of those discussions to \$5.40 and the officials of the Transport Board confirmed in this Honourable Chamber that it was the intention of the last Government to carry it to \$5.40 per bus ride.

Mr. Speaker, sir, my Government accepts that we have a duty still to subsidise public transport in Barbados. We will continue to subsidise the costs for school children, continue to subsidise the costs for pensioners, continue to subsidise the costs for policemen but we cannot continue to subsidise the losses at \$45 million a year, 'many hands have to make light work in transport'.

Similarly, sir, there is a famous meeting that took place last year between ourselves and the privately owned PSVs, and we have made it clear that our interest is not only in an affordable Transport Sector, but in a reliable and orderly Transport Sector. And, accordingly, therefore the Ministry of Public Works Transport and Maintenance has

been meeting with them and have agreed on a range of measures to introduce through legislation that will hold owners of vehicles, in particular more liable for the conduct of behaviour with respect to their vehicles in this country.

The notion of vehicles going on routes that they are not authorised to go on, or not being insured for the category of vehicle that they have, ought to lead to suspension and revocation of permits in some instances. And, therefore, there will be order in the Transport Sector at the same time as people will be allowed to earn properly in the Transport Sector in Barbados. Mr. Speaker, sir, we therefore expect to have these changes before us very shortly.

I now turn to the issue of Cooperation Taxes, sir, and some technical measures that have to further simplify the tax system with respect to our corporate tax system. We will eliminate withholding tax on payments made to non-residents, other than dividends, including: One, interests; two, management fees; and three, royalties. In the case of management fees there will no longer be a deduction for payments to non-residents.

Similarly, sir, on the other hand, withholding taxes on residents will increase effective as follows, on interest from 12.5% to 15%. Remember, Corporation Taxes have dropped to 5% and going down to one, 5.5% to 1. And two, on dividends from local sources, withholding tax will move from 12.5% to 15%. Please note, sir, that withholding taxes on pensioners will not be touched. These changes will become effective from today and will be accompanied by the following anti-avoidance rules:

One, the interest-thin capitalisation rule: A company is typically financed through the combination of debt and equity. Where its level of debt is much greater than its capital, a company is said to be thinly capitalised. The way a company is capitalised has

a direct impact on its profits, because interest is deductible for tax purposes whereas dividends are not.

To avoid any potential abuse where a company could fund its operations mainly with debt, we will introduce a limitation on the amount of related party interest that can be deducted from income derived from a business or property.

Effective 1st September 2019, a thin capitalisation rule of 1.5 to 1 will be introduced. Interest payable on outstanding debts due to non-resident related parties that own more than 10% of the company will be deductible to the extent that the total amount of the debt does not exceed one and a half times the equity of the company. Any portion of interest that exceeds this ratio will no longer be deductible.

Similarly, Transfer Pricing. ~~As part of our~~ commitment to the OECD, we intend to introduce transfer pricing rules in the near future, governing the taxation of transactions involving the sale of goods and services between legal entities within the same controlled group. You will hear a lot more about transfer pricing and there has to be a public education programme which I will ask the member for Christ Church East Central to lead, not only in this Parliament but across Barbados.

Branch Profits: ~~To bring~~ the withholding tax, treatment of branch profits in line with that of dividends, branch profits paid out of income earned outside of Barbados will no longer be subject to branch profits tax.

This brings me to the matter, sir, of personal Income Tax. Mr. Speaker, sir, the removal of Income Tax allowances demands the lowering of Income Tax rates, if the most vulnerable are to be protected. There will be no more tax allowances in Barbados and we will try to move to a system of tax credits, but this year the only tax credit will

be the reverse tax credit and the compensatory income credits. Credits allow for greater and better use of our cash flow. But given where we have had to go with our Corporation Taxes, we are going to have to reduce the incidence of personal Income Taxes in this country, because you cannot have a Corporation Tax at 5.5% and a personal Income Tax at 40% for people to drive two, four or five container trucks to do what they want to do.

Going forward, sir, therefore, we will credit to individuals for a specific benefit. Allowances are available to all who qualify while credits are available to those who are deserving, and that is the fundamental difference. In allowances everybody gets, in credits we can start to target and make sure that it matches our cash flow and allows us to better manage our financial affairs in this country. In the circumstances, sir, we are using a combination of lowering rates, a universal allowance and targeted credits to achieve the social justice and fairness of which I spoke.

I now announce the following tax measures, sir:

In 2010, the Income Tax Act was amended to effectively reduce the Income Tax rates applicable on foreign income, that is remitted to Barbados by an individual who is resident but not domiciled in Barbados. This was affected by allowing them, individuals to claim a foreign currency earnings credit in respect of income derived from outside Barbados.

In 2011, the concession was extended to all individuals who were resident in Barbados and remit their income from foreign sources. Persons who earned all of their income from foreign sources were able to reduce their effective Income Tax rate to as low as 1.995%. We now wish, sir, to change this credit such that the minimum effective

rate for these persons earning foreign currency will now be approximately 10%. We need everyone to carry a little more of the burden in this country.

The new scale will be as follows: 81% and over, the current factor means that you effectively have 93%. Between now and the end of December 31, 2019 that current factor will now be 70% and effective 1st January next year 65%. If 61% to 81% of your earnings is foreign currency, the current factor is 79% rebate. It will, between now and the end of 2019, go to 59% and effective the 1st January next year 55%. If you earn 41% to 61%, 64% is the current factor now. That will move to 48% and effective 1st of January 2020, 45%. 21% to 41%, 45% is the current factor, it will move to 34% for the balance of 2019 and then to 31%. If up to 20% of your earnings is foreign currency, it is now currently 35% rebate, it will move to 26% to the end of this year and 24% to the end of next year.

For, Mr. Speaker, a lot of people this is gibberish. This will affect no more than a few thousand people. They know who they are but we need everybody to carry a little extra burden as we stabilise this country. And in order for us to do it these are the adjustments that we are making. You will still get your benefit of a foreign currency earning credit but you have to pay a little more tax than you were paying before in this country.

Mr. Speaker, sir, we will now reduce the tax rates on taxable income, and we will extend the first tax band and we will use an income credit, as I've said, to give Barbadians significant income tax relief that I referred to already. I have already told you that the first \$25,000 will remain tax free.

Personal Allowance: Effective July 1, 2019, we are going to get rid of both the first band of Income Taxes which is 16% and the second band which is 33.5%. The rate

on the third tax band was 40%. We are going to adjust all three bands of Income Taxes in Barbados to be able to give you all across the board more disposable income in your pockets so that you can help to buy what you want in this country.

Mr. Speaker, effective July 1, 2019, the first tax band in Barbados will now be \$50,000 after the personal tax-free allowance of \$25,000. And the rate of tax that will be applied for that first tax band of \$50,000 will now be 12.5% down from the combined effects of 16 and 33.5% before.

Similarly, Mr. Speaker, effective July 1, 2019, as I indicated, the Compensatory Income Credit for persons earning between \$25,000 and \$35,000 will be applied such that that person will not pay any Income Tax on their money and that their tax liability goes to zero.

Similarly, Mr. Speaker, with respect to the band above \$50,000 the rate of tax will move from 40% to 33.5% between July 1, 2019 to December 31, 2019 and from January 1, 2020, that 33.5% rate will drop to 28.5% for everybody earning over \$50,000 in taxable income. Mr. Speaker, sir, what is it that we have achieved using a phased approach? It is a significant reduction in the effective direct Income Tax rates that Barbadians pay.

Sir, we didn't know that we would come to this point, but once we recognised that we had no choice because of what the last Government did with the commitment of Corporation Tax rates, it meant that we would have to take a position to continue the reduction of direct taxes in personal Income Tax rates, broaden the base on the VAT and carry Land Tax along with you to help compensate for what you are going to lose in Income Tax rates.

It is good for growth because it means that you get to decide: I want to spend the Grantley here, I want the \$50 there, I want to spend \$20 there, I want to spend \$10 here. So that it gives back to the average Barbadian worker choices that did not exist for the most part of the last few years.

And what does it mean? I've told you what happened to people earning \$25,000 to \$35,000. I can't get there for the people earning \$35,000 to \$50,000 this year yet, but as God is my witness, you are the next group of people that we are going to take care of in this country as soon as we can, because we recognise that you have been carrying weight.

Similarly, for people earning \$75,000 and more you literally will save - you literally will save. Right now, you are paying \$10,625 a year, you will now pay \$6,250 a year, saving \$4,375. So those are people earning just above \$6,000 a month. The middle classes of this country who bore the adjustments for most of the last ten years are also being helped with these Income Tax returns today. And the effective tax rate moves from 14.2% as it is today to 8.3%. That only means taking into account what you pay when you get the tax allowance and everything else in it, that is the real rate you are paying effectively.

For persons who earn a \$125,000 a year, you have been paying -- many of you have been carrying this country. You have been paying \$30,000 a year in taxes. Especially those of you who are employees. You have been paying 24.5% of your income in taxes. You will now move to pay \$20,500 a year, saving \$10,125 a year or the equivalent of just under \$800, \$900 a month, moving to a tax rate from 24.5% to 16.4%.

What does this mean? That somebody who previously stopped hiring a gardener, or stopped hiring a helper, or stop going for services that they needed with maintenance

around the house are now in a position to be able to get some help again, because we are putting money back into your pockets to help spend money and to create spending in this country.

Mr. Speaker, sir, the tax relief which takes full effect in 2020 is significant across all income groups. And, Mr. Speaker, sir, we hope that Barbadians will understand that after several years of rising taxation on their income that we have brought some sense of relief to you tonight, to be able to show that while we cannot change everything, and while you must stay the course that the bottom line is, in staying the course we protect those at the bottom, we give some income relief for direct Income Tax but we still tell you, you are going have to carry some hip weight with the Value Added Tax on some items, while protecting food, medicine, education and transport. And at the same time, Mr. Speaker, we also help those who own assets in this country; land predominantly over \$450,000 or either land over 4,000 square feet to carry a greater burden of the tax effort in this country.

The naysayers could never have anticipated that my Government in the throes of this BERT Programme, which is supported by the IMF, would be in a position in less than ten months, sir, to start the path of growth having stabilised the country's economic fundamentals.

Mr. Speaker, apart from the pending tax relief, we will put millions of dollars into the hands of individuals. You may have forgotten what I announced earlier with all of the refunds that the last Government owed you that we are going to pay out in the next few months to all kinds of people. And this, Mr. Speaker, will trigger, we believe, future economic growth in this country by putting money into people pockets.

We are shifting the burden of taxation away from taxing work and production to taxing assets and consumption, and ironically, sir, when I was at IDB only last month, this was the very same point, because the world is likely to see declining taxes on companies because of the difficulty of collection, but greater applicability of taxes on, Mr. Speaker, consumption and assets because it is easier to extract the tax in those two places.

In just ten months, sir, we have transformed our system of taxes, so that our new Corporation and Personal Income Taxes become some of the most competitive, not just in the history of Barbados but indeed, Mr. Speaker, in the Caribbean and in the entire world. We are breaking new ground as a Government.

We can afford this radical step, but, on the basis, sir, that there is no room for allowances, and we are more effective at collecting what we owe. Within the next week, we shall be moving for requests for proposals from professionals within the private sector: lawyers, debt collectors and realtors to help us in the collection of unpaid taxes and we will reward them on a clear commission basis for helping us to collect taxes that are due and owing, which if collected will begin to allow us even to further reduce the incidence of taxes in this country, because there are still too many taxes that remain unpaid in Barbados.

We will publish in that RFP, what the Schedule of Commissions will be, but it will move from 15% for the first 100,000 collected to 10% for 100,000 to 500,000, to 5% from 500,000 to \$1 million and 1% for everything over \$1 million collected on behalf of the Barbados Revenue Authority.

Similarly, Mr. Speaker, sir, we have therefore been very conservative in the revenues that we are projecting to achieve from the taxes and measures that I have announced today. Why? Because we are in the middle of an IMF Programme. Let me underestimate and over collect, so that we can come and make adjustments in the future. I laugh, but I told the social partnership on Saturday that on reflection, revenue is a bit like paternity, maybe or maybe not, you might collect it, or you might not collect it. And expenditure cuts are like maternity, there is no doubt what you are doing and when you will feel it.

So, Mr. Speaker, sir, we have to be cautious and we will not play fast and loose with the affairs of this Nation. I have prayed upon for a long time tonight, but I have said to you, believe you me, if we stay the course on these measures -- I am not asking you to support taxation in a vacuum. I have shown you where we want to go with your taxes and how we will spend it.

There is one last matter, sir, that I would like to address before finishing. That is the matter of exchange controls. Mr. Speaker, sir, our commitment to the BDS\$2 to US\$1 peg is unwavering. That is why we made and took the decisions as a country, that is why we got the collective participation of the Social Partnership in the last ten months.

Like most countries operating a fixed exchange rate peg, Barbados has exchange controls on foreign currency transactions. These controls were originally designed to mitigate and regulate the flow of foreign exchange to ensure that the country has sufficient reserves to defend our exchange rate. These controls have been put in place since the establishment in the early 1970s, I believe 1974 of a Central Bank of Barbados.

Mr. Speaker, sir, however, with the advent of greater trade and globalization, a consensus emerged that exchange controls, if not managed and administered well can

create distortions, and can disrupt economic efficiency and growth. Many countries successfully relaxed their controls, we did not. We started to, under a previous Barbados Labour Party Government, and the last Government reversed almost all of the things that we had liberalised with respect to your Foreign Exchange Control.

Our exchange control regime has been cited, sir, as by international competitiveness surveys as one of the critical impediments to doing international business in Barbados.

Let us not fool ourselves.

Mr. Speaker, sir, from being down to covering just seven weeks of import cover when we inherited, our reserves as I said, we are now close to the target of 15 weeks that we had set in our manifesto. And, Mr. Speaker, we set that as a conservative estimate but we want to go much farther and shall go there. Our efforts to cut bureaucracy and boost competitiveness will strengthen our reserves further. The switch from direct taxes to indirect taxes will support work and discourage imports, boosting our reserves, we believe. The list of investment projects that I have touched on today will bring in foreign exchange in the short run and in the long run. Mr. Speaker, sir, we believe that the time is now right for us to begin a gradual relaxation of our exchange controls given where we have reached at this point in time.

We will focus, sir, first on those areas to boost investor confidence. That will lead to increased capital inflows, and better support economic growth by, for instance, allowing our savings to be channelled to their most productive use.

Effective July 1, of this year we will allow all Barbadians to open foreign currency denominated bank accounts, to hold foreign currency they have earned here or

abroad. We will eliminate the surrender requirement of 70% of foreign exchange brought into Barbados and move that down, Mr. Speaker, and the Central Bank will move it, I believe to 50%.

We will allow foreign currency proceeds from the sale of assets to be repatriated in foreign currency or kept locally in a foreign currency account. These proceeds will not be subject to the capital appreciation policy that the Central Bank has employed over the years. In other words, Mr. Speaker, let me break it down: the notion that somebody wants to buy a property in Barbados for US\$10 million, if the person is going to bring in the US\$10 million, then why shouldn't the person who is selling the property be entitled to take it out, because there is no net loss to the foreign reserves stock of the country. But if we continue to say to people that we will only allow you to take out "X" bit this year, and "Y" bit next year, and "Z" bit the year after, what happens is that people structure the deals offshore and then we don't get anything from the transaction. We don't get transfer tax, we don't get legal fees, we don't get stamp duty, we get nothing from the transaction.

So what we are simply saying is that if there is a property to be sold in foreign currency, and the foreign currency is coming, then the person who is selling the property ought to be allowed to take it back out because there is no net loss in the stock of foreign exchange in the country.

Mr. Speaker, sir, we will also increase the annual limit on personal travel facilities from \$7,500 to \$20,000. Other limits will also raise and those will be released by the Central Bank of Barbados very shortly because we believe, Mr. Speaker, that we can continue to take a chance.

Finally, Mr. Speaker, the 2% foreign exchange transaction fee will now be capped at \$100,000 because we recognise that it was being applied on capital transactions which

then became a disincentive also for transactions to be done in Barbados. And, hence, today we will cap it at a \$100,000 to ensure that it does not become an impediment to the doing of business in Barbados. Our reserves' position and the macro-economic background permit us to make this move now, sir. That is what confidence has done for us. That's what arguing and doing the right things that allow our reserves to have moved from \$400 million to 1.1 billion, has allowed us to start to take this journey. We are not where we want to be, but we are going to stay the course because we know we can get better and do better.

Mr. Speaker, and by allowing Barbadians now to hold foreign exchange accounts in their own country, Mr. Speaker, foreign currency denominated bank accounts, we believe, Mr. Speaker, that Barbadians will feel, a lot who were keeping their money elsewhere, under the bed, outside, wherever and bum-bum, bring it home. Bring it home, this is our country and there is no place sweeter than here. Bring it home.

Mr. Speaker, we will follow the developments closely, and recognise, sir, that if we are to be driven by a goal of being a genuine hub, a global hub for business; business between Africa and the Americas, business between Asia and the Caribbean, business between Latin America and the Caribbean and Africa, business with China that we have to make these decisions to make Barbados a more competitive and attractive place for doing business.

When I said in December our business is the world, and the world is our business I meant it. When I said that the training of Barbadians has to be a primary objective for the next four years to deliver world class standards, I meant it. These are the things that will allow us to succeed and when we succeed we will have the freedom to make the choices that we want to make, rather than being the victims of people who feel that they

can pull strings and pull things to tell us you have to go there, and you have to go there because you don't have the money to make choices on your own. That is not the Barbados we will lead in this country.

So, Mr. Speaker, we will look closely and when we feel the time is right, we continue the gradual relaxation, but we believe that those measures can initially start to boost significant confidence with respect to foreign currency in our country.

Sir, the biggest challenge facing our country today is yet an unspoken one. The constellation of stars that we went to bed with every night when we were growing up, has really changed beyond recognition. For the first 53 years of our Independence, Barbadians went to bed and awoke the next day in a world that placed value on the rule of law.

That is not the world that we know today.

We see the ambivalence of the world to attempt in the invasion of Crimea, the raiding of Venezuela's Embassy, decisions being taken with respect to what and who can make appointments in international financial institutions with respect to countries, even though they can't make appointments to move a policeman from here to thither or yonder.

We went to bed every night and woke up the next day in the first 52 years of our Independence before in a multilateral world, where the world's trade, financial and security arrangements were debated in the United Nations General Assembly, and not hashed out in private rooms with a few big meetings. There was always an element of it, but in the post-Independence movement of the world, after the World War II, after the declaration, the Bretton Woods Agreements, after the declaration of the Universal Human Rights with the United Nations Assembly being formed, the Post-Colonial Movement,

there was a space for countries like ours. It is now being threatened, it is being threatened all over.

Multilateralism is fighting to keep its head above water. It is only in this world that the European Union, encompassing the world's largest international financial centres, can draw up lists and name people, and you have to take it, because might is right and all traditional notions of natural justice and legitimacy are treated with scant respect.

We went to bed every night and awoke in a world which understood that excessive individualism would undermine society, and that without society individuals would flounder; that our role of Government is to protect public spaces but we now live a world where everybody wants to run to be the richest, the mightiest or the greediest and poor people and ordinary people and ordinary countries and ordinary workers are left to flounder.

Mr. Speaker, today too many people shamelessly ask their Government, their employers or their employees for everything and more, and expect that they can enjoy the benefits of a peaceful, safe, well-functioning society because somebody else is going to pay the bill and somebody else is going to support it.

Faced with these challenges, sir, countries have retreated inwards. In the US they are building walls. In Europe they are turning their backs on refugees. In Britain they are having messy divorces from Europe.

Mr. Speaker, Barbados has to remain focused. We cannot stoop to strategies like that, but the night that has grown colder for small States, it is true. A world of no rules, and where might is right, as I said, and where people and businesses can move on a whim. Stop the project.

A world of rising sea levels, killing our coral reefs with acidity, a world that is particularly harsh for small islands that will have to have contingency plans for climate refugees. And don't tell me they are not climate refugees, look at Montserrat, look at Barbuda, look at Dominica. We are, Mr. Speaker, in open waters, alone, and the storms are wild and free. But I know, sir, we can find our way home, because this country has something that most countries don't have, and it is that sensitivity to want to have the collective matter. Barbados is a place where social justice matters, Barbados is a place where fairness matters. You go in any rum shop and you hear somebody say: Boy, you can't treat that body so. Barbados is a place that even likes the underdog, because we believe "you can't treat people so". It can't go down so, and people misinterpret that, and feel that we too powerful or we too proud. It isn't that. It is that we understand, that we only stand where we stand today because our parents and grandparents and great grandparents understood that on a small island if you didn't fight for a public space and fairness, you would have nowhere to run and nowhere to move and nowhere to live in this country.

Mr. Speaker, they fought for us - for it; on this spot, in this location, in this capital City because they knew that it would bring better for all of us.

Last year I met with a young Barbadian girl working with the UN going off to work in South Sudan. I was so proud of her carrying the flag high. Every part of this world there are Barbadians making a difference in the public and private sphere. Most of them don't come from wealthy backgrounds, but they were brought up by decent people who understood that values matter, principles matter and who understood that life does not always come in a straight line. Our life as a Nation has not come in a straight line,

my friends. Our life in this Nation has had ups and downs, but the one thing our good leaders and great leaders did was to stay the course.

I ask the people of this country today, I apologise for taking as long as I have taken. My body is weary, but I believe that I have a solemn duty to say to Barbadians that you have to learn what your Government is doing because decisions are being required of us that can alter the fundamental values and destiny of our Nation. It is not easy, but we know we can do it because we've done it before. The truth is that the world looks more like 1920 and 1930 than it looks like 1980 and 2000, and we have to understand therefore that it may require staying the course and some sacrifices.

But, Mr. Speaker, we can find it because transformation means new opportunities. Whether in new industries like renewable energy, or medical cannabis, or whether in new attractions within existing industries that may not necessarily command the support of all but we have to govern and we have to move forward because, Mr. Speaker, the one thing we can't do is to stay static. Our commitment to education and training, our new philosophy to taxation and who we want to protect, or even liberalisation of our foreign currency, gradual as it is, exchange controls, the new institutions that we want to create to give you greater access to finance so that you have options for how you can earn, so that you become not just tenants in your own countries but owners of what you survey.

Mr. Speaker, sir, Barbadians deserve this because we feel that if we empower Barbadians, we would allow them to grasp opportunities to be the best Barbados. In the words of Rihanna: To shine. To keep Barbados rising. And this isn't by accident, therefore, that we ask all Bajans to come home next year because 2020 must be that year when we perfect a finer vision, because this country needs not just the 300,000 here, but

the two or three times who live outside, because the battles that we will fight will be fierce.

They are those who are already trying to divide CARICOM. They are those who are already trying to divide and conquer but, Mr. Speaker, if we know one thing as a labour party, if we know one thing as a labour movement, if know one thing as the children of people who have come through the great tribulations: divided we fall, united we stand.

Tonight, I ask every member of this Parliament, every single member to join with me in the chorus of inviting Barbadians to stay the course. Why? Because we can do this, we can do better. We can make this country shine again, and when I tell you therefore that 'we got this', believe you all 30 of us got this.

Thank you. And God Bless you.

Mr. Speaker, I said all 30, you know, I didn't say 29 and Mr. Speaker I beg to move, sir, that this Bill be read a second time.

I am obliged to you, sir.

[Concludes: 9:18 p.m.]