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POLITICAL LEADER BARBADOS LABOUR PARTY
TO THE BARBADOS CHAMBER OF COMMERCE
Wednesday 29 October 2010**

“Dare to Dream. Determined to Do.”

Good Day Ladies and Gentlemen;

I have had the pleasure of addressing you before, but this is the first time I am doing so as leader of the Barbados Labour Party. It is no less a pleasure today. Let me also say how much I enjoy discussing the business of Barbados with you.

I would like you to join me in traveling down a telescope of the economic events that have helped to shape this small but great nation of ours.

I will start near the small end of my telescope and remind you that the economic model that was available to Grantley Adams, Errol Barrow, Tom Adams, Bree St. John, Erskine Sandiford and to a lesser extent Owen Arthur is no longer available to us today. The luxury of having access to preferential markets, protective tariffs, quotas, subsidies and industrialization by invitation lives now mostly in the history books and academic texts. They are relics of another time and space that served us moderately well for the first thirty to forty years after Independence.

Within five years from now though, by 2015, we will no longer have one of the key instruments that has supported economic growth and that has supported our enterprises. Think if you will that almost every large-scale enterprise in tourism, manufacturing and agriculture has been the beneficiary of generous incentives from the government of Barbados in their setup and operations. That option of substantial fiscal incentives will be removed from our economic arsenal.

The Government and people of Barbados will have to find new models to fuel our future development. A significant part of this government's problem today, the reason its fiscal position is so precarious and unsustainable, is that it has continued to cling to old models of development that assumes government's only levers of action are tax and spend.

The truth is that while we have made great strides in our physical and social development we have fallen behind the curve in the areas of government and governance and enterprise. Strategic use of taxation and expenditure will continue to be part of the arsenal of government, but there are far more powers available to a government to unleash growth in the economy. The power of a Government to legislate so as to influence behaviour, to regulate rather than to own, to facilitate and coordinate activities that would not otherwise happen, to empower our people through a myriad of ways are increasingly more effective and serve as beneficial tools in managing a modern economy.

There is no doubt that the modernization and expansion of our economy is lagging behind where it should be. Let us face the facts. Last year the Barbados economy declined for the second straight year. The decline was of the magnitude of 4.8%. The Government tells us that this was a consequence of the international recession and that it had few options to do better - and from the look of it, even fewer aspirations.

Again let us examine the facts. There are 213 countries in the world. Did we move along with the pack? No. Not 50, not 100, not 150 but **188 countries performed better than we did last year. We were 189th in the world in terms of economic performance.** 110 countries actually expanded their economies last year. There is much smart government policy can do to change our position in the pack. Surrendering our fate to the shifting winds of the global economy will only relegate us to the back of the race.

It is therefore incumbent upon us to make critical decisions about the economic model we chose for the next two to three decades to take us to the next stage of our development. If we want to improve our quality of life and if we want to remain a domicile of choice, Barbados must be able to retain its top talent. Barbados must be a place where poor people can change their circumstances. Barbados should be a magnet for investment. Barbados must be a destination of choice for the world's travelers.

Economies, even small ones like ours are complex and Governments in trouble use statistics to obfuscate. But as you would know, some things do not lie. Things are not going well when unemployment doubles and when foreign direct investment drops from \$1.5b in 2007 to \$90 million in 2009.

But perhaps the truest measure of the performance of economic policy is the amount individual people and companies are investing in the future. If there is little confidence in the future, investment falters, and this has a knock on effect of lowering our ability to produce in the future. And so what alarms me as much as anything else is that overall investment in the Barbados economy has collapsed. Gross capital formation – investment in buildings, machinery and stock has dropped by almost 30% between 2007-2009 - from \$1.57b to \$1.16b, a decline of over \$400 million. This is the biggest dollar decline in our history and in percentage terms is only rivaled by the last DLP recession.

We are already aware that the global recession, along with the Government's significant increases in taxes and fees has led to a depletion of over \$200m in savings over the last two years. Equally, there has been a serious depletion of our Net International Reserves. One of the dangers of the depletion of investment, savings and reserves is that it will be a drag on the eventual recovery. When businesses see the green shoots of recovery they will not have the cash on hand to take advantage of the recovery by restocking. When the Central Bank sees companies girding up for expansion by importing goods, it will

want to depress that for fear of the pressure it will place on our depleted reserves. A strategy of falling and rising with the tides of global growth is a dangerous strategy. If when you hit bottom, you sprunk a leak, a rising tide may not lift your boat.

Let me now briefly address the Government's fiscal position.

Barbados has a long tradition of being fiscally prudent. Except in just three emergency scenarios over the 40 years to 2008, and never for more than one year, the Government of Barbados has only consumed what it raises in taxes and other revenues. Where we borrow (where there is a fiscal deficit) we do so to finance our capital expenditure to build capacity (like the airport, seaport, schools, Hilton) to allow future generations to earn more and in turn assist in the repayment of that debt. It is why despite gently rising debt over the past 40 years, Barbados has always maintained an enviably high international credit rating that has kept the cost of borrowing for both public and private sectors down.

For the first time in our history, we have run a fiscal current account deficit for almost 3 years. We are now persistently borrowing to pay our day-to-day expenses. Even in the worst of times this has never been achieved before. As you and every Barbadian knows instinctively, borrowing persistently, simply to make ends meet in your day-to-day operations is the road to bankruptcy.

This is the situation we are in, even before we consider the sorry implications of Clico on the Government balance sheet.

No consideration of our finances for the next 5 to 10 years will be able to ignore Clico, so let me say a few words about it today, though it is a subject that deserves more time and I shall return to it at a latter date with a more detailed proposal.

We were all told that Clico was "sound, prudently managed and well regulated"

and that Barbadian depositors could be considered “safe in the context of our financial sector”. Mr. Parris told us that the Barbados operation had an asset base in excess of US\$700 million and was on a path to continued growth and profit.

Back then, as you know, I was shocked that the Government was taking the same laid back attitude to the depositors and policy holders of Clico as it took to the economy as a whole.

To get the Government to focus on the issue I filed a no-confidence motion. But all along, as Clico’s assets were plundered and wasted, my concerns were dismissed. If there is any shame in public life, the Clico disaster and the false promises should have been met with abject apologies and resignations.

I will make a commitment to you today to return us to a position where people care about what they say and what they promise to the public at large.

It will be hard to underestimate the impact of the Government’s inability to act quickly, from not stopping an insolvent company from carrying on business, from its managers taking more money out on top of the egregious amounts previously taken out, and instead, to raise false expectations to small policyholders and depositors in order to keep the whole sham on the road.

I am also disappointed at the Government’s proposal.

Taxpayers lose big from the Clico bail out. We have been forced to acquire enormous liabilities at a time when the Government has already added more debt in three years than at any time in our history. I am not sure there is much real alternative to tax payers taking a hit today as Clico was a publicly regulated institution, the Government allowed Clico to continue to operate when it should not have and the Government has since made clear and public promises to the

customers of Clico that their money was safe.

Yet taxpayers' support has been turned into an instrument that provides little solace to Clico's depositors. A great many of Clico's direct clients were vulnerable, senior citizens who had put away savings for their retirement. These people are being asked to wait for a return on the majority of their deposits for an uncertain period that could well be beyond their life expectancy. The position of pensioners whose pension plans are invested in Clico is even more uncertain.

So taxpayers lose, but the Government has chosen an instrument of support where depositors also lose. This must be the biggest lose-lose solution as a percent of GDP of any other in the financial crisis. In percentage terms, this is a bigger bail out than that of AIG, the biggest insurance bail out, where all policyholders have been protected in full.

I will offer a detailed response later, but the Government must consider new instruments that convert the existing enormous liabilities the State has taken on, for something useful to the vulnerable depositors, especially our senior citizens.

Instead of making a payout in two years time, which is expensive from the perspective of the government, but miserly from the perspective of individual clients, the Government could issue a perpetual bond, backed by the company's assets, with a Government guaranteed rate of interest, similar to the rate offered on long-term Government bonds.

The guarantee of a government interest rate would allow the instrument to be traded and sold by those who need cash today without the Government having to fork out this principal today or in the immediate future. A broadly similar commitment of Government can be turned into something worth several times what depositors have been left with today.

The Government should decide who would be eligible for the perpetual bond, and up to what level of deposit and I would hope this would focus where possible

on the most vulnerable in our society.

However it is cut, this Government guarantee is the single biggest guarantee in our history. Although there are no lasting buildings and facilities, it dwarfs that of the ABC highway or the prison. This matter is too large, too important, too critical to our economy and our fiscal position, to be treated in a dismissive fashion.

I have outlined these facts to show you that serious and sensible decisions must not just be made, they must be made now. Not ten years from now, not when we get round to it after recess here and there, but now. We are already late. I know that you know it. Quietly behind closed doors we speak about it. If we fail to act we are going to shortly find ourselves in reverse gear at the top of a very steep hill with no brakes. It is not going to be a pretty sight.

It is against this background that I say to you that the most important solution required to sustain our enterprises in this challenging economic time is to recognize that the game and the rules have changed and that we must now make ourselves fit and competitive to win – to win for our households and to win for our enterprises. The necessary action you can take on your own as businesses, many of you have already done so – as a survival instinct. However what is also required and what will make much of the difference is a new vision, a new way. I will address this today.

It will be the objective of any government I lead to achieve a medium-term fiscal consolidation. The Government also has a plan, but it is not really a plan. It is a piece of paper with a promise as credible as the promises to Clico's depositors. A plan needs a realistic map of how you are going to get there. There is none, which is why in less than 12 months, the medium term fiscal plan has been blown out of the water. The level of the fiscal deficit that we are supposed to be reducing from is now only a pipe dream for this year or next. The plan was based on a hope that the World Bank and others would lend us money, even though they do not generally lend money for budgetary assistance, and entirely

predictably they have said that they will only do so if Barbados is under an IMF plan, the Government's own plan being deemed not worth the paper it is written on.

I notice that despite all this, the inadequacy of plans and absence of real initiatives the Minister Estwick is pinning its hopes on a 2% expansion next year. I would never thought I would have to accuse Dr. Estwick of modesty, but after an economy has contracted by 10%, pinning your hopes on a paltry rebound of 2%, too small to put people back to work, is far too modest, but perhaps as much as we can expect from the auto-pilot.

The bottom line is that to achieve fiscal consolidation, to restore the country to real growth of 5% plus per year, you need more than hope and bits of paper. You need a fundamental re-think of the way we do business and the relationship between the Government and the private sector. Tinkering around and canceling the order for paper clips will not do it.

Clearly we must not throw out the baby with the bathwater. What works well must be protected, what needs tweaking must be tweaked and what needs radical overhaul must be overhauled.

However, if we start from the simple premise that government plays a large role in all that happens economically and socially in our land, we will recognize that we must act now to reform the role and structure of our Government. Let us reconstruct Government if we are to deal with the reality that the cost of our government is no longer affordable.

What is the purpose of a Government for us today? First and foremost, it exists to maintain law and order, settle conflicts and protect its citizens, more so in a post 9/11 world as we discovered. Secondly, it must assure a safe system of public health and access to all of its citizens of affordable, reliable and quality

health care. Thirdly, it must create a platform for empowerment and growth economically and socially (in our case primarily through access to quality and effective education and creating a platform for ownership) while protecting our most vulnerable citizens. Fourthly, it must protect our public spaces, bolster our national identity and our confidence and ensure that our environment within which we must live is looked after for ourselves and for our children against the very real threat of climate change. Finally, it must develop and defend our image and relations with the rest of the world.

We cannot have a twenty-first century population relying on (at best) a twentieth century development model. Without an efficient government structure capable of implementation we will be what my Trini friends call “making as if” or “spinning top in mud.”

To be frank, I am aware that we have a government where an obsolete system continues to hamper our development. It is unfair to the people who work in it as well as the people it is trying to serve. Our Government must be more responsive to the real needs of our people and our enterprises.

What is little known is that the major reason for the increase in Government’s current expenditure over the last 7 years (between 2002 and 2009) is in fact transfers and subsidies and not the central government wages bill. **Of the \$1.1 billion increase in this period, \$617 million was as a result of transfers and subsidies.** The cost of Government as it is now is fast becoming unaffordable.

The historic reason that governments own airports, seaports, highways, bridges, schools and hospitals is that in small jurisdictions there was a development framework that could not rely on the timetable of private industry to provide such infrastructure, as well as the security and revenue components.

I am well aware however that for us restructuring must not be about efficiencies

and savings alone. It must also be a critical platform for broadening the base of ownership in Barbados, for ordinary Barbadians, for institutions like our credit unions and pension funds and for small, medium and large corporate entities. My colleague Clyde Mascoll has already spoken publicly on these issues.

Let us take the public transportation sector. In 2008 we spent over \$45 million and in 2009 just over \$23 million. There is a large overdraft as well. The sector is already attractive to individual, small and medium sized investors. There are about 250 Transport Board buses and about 500 public service vehicles. Why should government invest another \$100 million in debt to purchase equipment (buses) and operational expenses over the next decade when it can contract out its routes to private operators for a fixed fee monthly in a highly regulated environment where the penalty will not be chalking up another traffic conviction but losing your route. Why can't the men and women who have been driving the buses for years be empowered to become owners along with other private investors in the sector? What about the NIS? What about the other range of institutional investors? Government will of necessity continue to find a mechanism to protect the most vulnerable for whom that cost of travel is still a burden. There is the added benefit of securing greater order and discipline and a level playing field for the sector under these arrangements. There will obviously still be a need for the bigger buses on the long haul routes. But why would we not want to maximize the investment made collectively in our country by the myriad investors?

Barbados National Oil Company is another case in point. As we move to develop an offshore energy sector, we must have a conversation that asks if there is any good reason why the Government should continue to own and manage it? We can certainly continue to own part of it through the National Insurance Scheme as we do in the Barbados Light & Power, but is there any reason why the workers, other institutional investors reflecting a broad-based ownership profile and our local companies should not be given the same opportunities. It will allow

us to raise capital for the BNOC while ensuring that Government can focus on its core responsibility of regulation while creating a platform for ownership in Barbados.

What is the real reason that the Government owns the airport or the seaport today? Security? That can be provided no matter who owns it. Revenue? Share retention through the NIS and fees and taxes will ensure that the country continues to benefit from future revenue and profits. Is there any reason that Government should continue to wholly own and manage some of these facilities when to do so will challenge its ability to afford other services and benefits which are more important to us as a society – like affordable health care and free tertiary education? While there are efficiencies that can be introduced in these key areas they are too critical to our stability and our ability to attain social justice to be threatened at this period of our development. I say no.

And yes there is sentiment. But pride and sentiment can be found in a new range of Barbadian investors, individual small investors, credit unions, pension funds and the like, and not only through ownership by the Barbados Government.

And before questions are asked about our patrimony, I need to say that there are far more desirous aspects of our patrimony, particularly our cultural and social patrimony, in more urgent need of rescue than a collection of concrete structures over which the Government through legislation and regulation will still have influence and in some instances control. For too long we have been enamored by the notion of economic enfranchisement and treated it as the Holy Grail, but not facilitated the access of our citizens and our enterprises to this noble and necessary goal. Wealth is not the size of the Government's pay roll, but the ability to transfer cash and assets from one generation to another to increasingly broaden ownership.

And this goal of economic enfranchisement is not a threat to our proud and

established, larger enterprises. A bigger market at home will, with Government encouragement, provide a springboard to move beyond the geographical borders of Barbados to secure your future. You must see Guyana, Suriname and Belize in the context of the CSME as legitimate destinations for investment, especially in manufacturing and agriculture. Barbadian-based companies must lead the opening up of western Guyana (the Pomeroon known as the bread Basket of Guyana and the vast Rupununi prairies) and through investment to the greater opportunities of the phenomenal growth rates in northern Brazil – it will change the economics of the southern and eastern Caribbean for the next thirty to forty years! If we do not do it, others will.

In similar vein, Government must confront the perennial problem of business facilitation because if our businesses are uncompetitive, whether onshore or offshore, then the entire island is at a disadvantage. Our distinguished Barbadian son, Professor Avinash Persaud recently indicated that we must decriminalize entrepreneurship at all levels in Barbados. At first blush it seemed a harsh comment but on reflection it is a valid commentary. The myriad regulatory requirements must be simplified without compromising the underlying public purpose for regulation where it is critical. Further, the torturous route of having conflict and legal issues resolved within the corporate sector reinforces in me the urgent need for the establishment of a Commercial Court dedicated to the expeditious and efficient disposal of court cases from both the domestic and the international business sector.

Further I say to you that no enterprise should be brought to the brink of disaster because it cannot get a VAT refund in a timely manner. It is counterproductive. If government cannot refund the returns in a timely manner then it needs to look at easing the situation for enterprise. I would like to hear your views on a Refund Certificate that can be used as collateral to extend an overdraft, secure a loan or enter into a factoring agreement. The latter would surely be cheaper than servicing an overdraft at 16 or 18%.

Then there is the issue of factoring which this Administration promised to introduce some 16 months ago. I wonder how many businesses have had to tighten their belt and lay off workers simply because they could not survive the prolonged delays in cash flows. How many have suffered while waiting for Government or private enterprise to pay? We do not believe that this agency should be located in the Central Bank as announced but indeed within the context of a private sector framework with the necessary government guarantees. In so doing we create another profit centre, ease the cash flow of many small businesses and ensure that jobs are not lost. This is Government as facilitator and nudger for stronger enterprise.

Micro leasing is another aid to small and micro business. The temporary rental of fully equipped factory, technical or office space must be provided to give small business a hand up without them having to find the scarce capital for wholesale acquisition of critical plant and equipment. Government can play a role in facilitating this.

I think most of the experts agree that any recovery in Barbados will be private sector led. Indeed, micro, small and medium size businesses will lead our recovery and ensure that the fanciful but offensive notion of jobless growth will not be our future. It is for this reason that I strongly support the new Enterprise Initiative being promoted by a number of you.

Friends, you know me. You lived through with me those difficult days following the fire at the prison, you know that I do not shirk from telling it as it is. So, let me also say that there are some areas in which the private sector itself has to become more competitive and more outward looking. We simply are not going to achieve the efficiencies or the growth we desire if we continue to satisfy ourselves with the domestic market. Use CSME and the regional market as a teething ground to maximize on the trade agreements that government

negotiated for you through the EPA. There is no reason why the success we have reaped through bilateral treaties in international business cannot replicate itself in goods and services between Barbados and Europe.

It is one of my gravest disappointments that the opportunities offered by EPA have not been on the lips on every Barbadian and firmly entrenched in the corporate plans of scores of Bajan businesses over the last 2 years so that we may appropriately exploit these markets as they open up to us for the first time in our independent history.

I will have another opportunity to address more fully the diversification of the Barbados economy – the need to urgently bring to life the off shore energy sector, the renewal and expansion of our tourism product – subject to the appropriate environmental studies, the reclamation of lands for heavy industry so as to admit of a few down stream products from the oil and gas sector; the building of a series of peninsulas and finger islands without adding a single cent to the public debt. Do not forget that Grantley Adams reclaimed the land between Pelican Island more than 50 years ago to build the Deep Water Harbour. The need for the refinement of our business model in the international business sector will require a speech in and of itself.

Further there must be an effort to maximize efficiency through the use of technology. In currently low-tech industries like agriculture, fisheries and manufacturing there is a need for research and development to determine where the highest return on investment lies relative to technological advances in the Barbadian context. Further, where will we find the new sunrise industries? I look forward to addressing all of these areas and sharing my perspective on another occasion for fear that I may be charged with overloading at a time when your stomachs and your propensity to remain awake can least accommodate it!

Let me make a few other key points before I finish. Government itself must catch

up with private enterprise by offering its clients the convenience that the technology allows. It must urgently launch its long awaited E-commerce portal to allow Bajans to pay online in real time renewals for their driver's licenses, vehicle taxes, professional and other fees, hospital bills and anything that is owed to government. If we have to amend legislation to also allow the submission of signed forms that are scanned we must do so. We are lawmakers. We would save thousands of people thousands of man hours waiting in uncomfortable lines to pay the Government their hard earned money. Imagine the impact on the productivity of our businesses and in the public sector. I am almost certain they would part with that money willingly (even in their pajamas) if they were offered the convenience of doing so when it best suited them.

Revenue collection is likely to improve, delinquency should drop and more people would be operating within the four corners of the law.

We need to finish the reforms in the telecommunications sector if we are truly to benefit from the technological gains. If we were to redefine universal access in the telecommunications sector from basic wired telephony to free basic access to the Internet up to 512K we would guarantee a platform for equality of opportunity while enhancing our competitiveness both domestically and as a domicile of choice significantly. No one knows from which household in Barbados will emerge the next Gary Sobers in IT or software development – the next Bill Gates or Steve Jobs. Persons wanting more bandwidth to facilitate multi-media access would continue to pay for the same.

We would also convert the millions of dollars being spent by Government on wired Internet connectivity and international calls to assist in paying the providers for this island wide Wimax or wireless coverage. The cost benefit of taking every man, woman and child from the fringes to the centre of cyberspace will eventually outstrip the cost of this investment.

It will benefit the entrepreneur and the consumer and will see a surge in online business across the island, especially in areas like online shopping. How many of you have bought something online – a kindle from Amazon, a car part, an airline ticket, or hotel reservation? Now how many of you have bought something online locally? There are commercial opportunities available on the domestic market for the creation or expansion of online business, from the big distributor and service provider to the corner store and our cultural entrepreneurs. It will benefit both the consumer and the business and a host of small knowledge based operations that service the new media environment.

Anyone who thinks that a Government does not set the tone and mood of a country only has to look back at the last 32 months. We are a case study in institutional demoralization. You do not instill confidence in people by “waiting to see” or by blaming the international economy or indeed those who went before you. This is what in polite company would be referred to as a “cop out”.

I am saying that it is time for the cop out to end or be brought to an end. We can choose the wasteland or the valley of plenty. It is up to us. But we will never overcome the challenges if we doubt ourselves. Barbadians have to become excited about their country once more. They must be eager about the possibilities and opportunities available. When I look around the country there is no energy. Little hope about the future. Most people seem to be just going through the motions. In fact, I would go so far as to that we are living in a season of anti-climax.

We can do better than this. We need a modern government with new levers of influence that makes use of the technology that people now use in their everyday lives. We need a new approach.

An approach that recognizes that being disabled friendly and creating green spaces is not only the right thing to do but it improves our quality of living and our

environment, while also setting us apart from the competition and driving economic activity.

An approach where our Government is a facilitator and not a hindrance.

An approach that will see any Government which I lead as seeing as its core mandate the settling of the 10 or 12 perennial problems that have bedeviled our society for the last 20 to 30 years and which seem as though they are now part of our DNA! Littering, service quality and courtesy, unreasonable and costly delays in accessing government permissions and decisions to mention a few!

There is a *quid pro quo* for business benefiting from an enabling environment. There must also be benefits to the vulnerable and less fortunate among us. Business will not thrive in a socially unstable environment and therefore it is important for governments to have the cash to care and to be compassionate – to facilitate that most important national objective of social justice. The South Africans best exemplify it in their concept of “Ubuntu” – “I Am Because We Are”.

Our failure to implement is a legitimate concern on which there has been much commentary. It has even been referred to as IDD - Implementation Deficit Disorder. The sooner we realize that part of the problem is structural the better. (we have a series of vertical silos in Government but most decisions require the participation of 3 or 4 Ministries working together at the policy, technical and administrative level. There has been a benefit in serving in every sector – social, economic and governance – you get to learn very quickly where the blockages are structurally!) We will not change attitudes by continually ridiculing and bashing our civil servants. We must recognize that they are the victims of outdated laws and systems, which have ingrained into the psyche of rational thinking people the notion that they are not empowered to decide; merely to implement what is there. Even if what is there now requires you to fill out 25 forms manually, go to seven departments and wait ten months. That is a recipe

for inertia and low self-esteem. To change attitudes and behaviour we must first change the nineteenth regulations and procedures and motivate our public servants to see themselves as equal stakeholders in our national economic projects. Less territorial dominance and more collaborative and consensual decision-making is also required.

I have dared to dream. And I am determined to do. I have however been in public life too long not to recognize that that dream and that determination to do must be something to which the majority of us aspire and are prepared to work towards.

I have spoken to you today with a level of forthrightness and frankness that I believe you and all Barbadians deserve at this precarious and uncertain stage of our development. There is a danger of our being sidetracked at multiple levels for all sorts of reasons. The level of suffering is growing but it is not yet catastrophic. Some of our people are already up against the wall with little or no options and little or no hope. Some of our people recognize that their futures are not as assured as they thought they would be a few years ago. And some are still denying the reality of our facing an 18-wheeler truck bearing down on us.

History tells us that decisions will inevitably have to be made.

We can choose to be the captains of our fate and the masters of our soul and make them for ourselves collectively. Or we can choose to let them be made for us by those who do not share our values or our aspirations. But decisions will be made to change some of what we have become accustomed to.

Of course, I have a duty to the Barbados Labour Party as its leader. But let me assure you all that I have a greater duty to my country and to all Barbadians! Let there be no illusion about that!

I must confess that I sometimes fear that we are being too easily distracted by the politics of politics (in both political parties and many of our organizations) rather than accepting the seriousness of our condition **and focusing on the politics of development**. Making the difficult but necessary decisions to secure our future. Leading and not pandering to only that which will keep us popular – and I refer to all politicians, myself included.

There must be a clarion call at this period of great uncertainty to put Barbados first in all that we do and to recognize that politics is really only a modality by which we can guarantee our development as a people but it is NOT and MUST NOT be the objective to which we aspire.

Equally, I believe that there is no crisis beyond our capacity, our creativity and our determination. But we must believe that we are equal to the task at hand. We must believe that we can do better - have the faith and the confidence that we can – individually and collectively; that we are not the hapless victims of a cruel and unequal international economic environment.

We must rise as one nation and as one people and work together to achieve our dreams, even if it means changing the way we govern ourselves in Parliament and in Government and in our political and private sector institutions. Tribalism and divisions (very often fuelled by those who ought to know better) are an indulgence we Barbadians can barely afford when all is going well and our people are generally prospering.

However, in any fierce battle, as confronts us now for the survival of our enterprises and for our people, we must talk with one another to identify what are our shared perspectives - and we must work together to achieve them. We must not only dare to dream but we must be determined to do. Only those who have – and I mean have a lot - will easily survive in difficult times. But I must tell you that

not even that reality will last for those who appear to prosper initially, as we are too small a nation to avoid and avert the stresses and suffering of our neighbours on this rock. The British understood this well and admitted of greater levels of development in a Colonial Barbados in an effort to maintain social stability and order.

The future is ours my friends– we can seize it or we can be victims of it. On every occasion in our history when given the choice Barbadians chose to control their destiny. This is the Barbadian Way we were all taught.

This is the Barbadian Way that has secured the quiet revolution from which our people now benefit.

Being complacent and comfortable, being distracted and disinterested, when 188 out of 213 countries in the world can boast of stronger economic performance for their citizens is NOT the Barbadian way.

Let us therefore recognize the challenge – for our people, for our government, for our enterprises!

Let us all dare to dream but let us all be determined to do!

God bless you all and God bless Barbados.