



The BLP does not support the Government grabbing \$3m of the hard-earned savings of Barbadians to fund its unconstrained consumption.

Credit Unions are not banks. They are not-for-profit organisations that pool the hard earned savings of 160,000 people in search of better returns by lending to each other and providing something to fall back on in times of hardship. They are an intrinsic part of the Barbadian culture of independence and self-reliance.

Now, when Barbadians need to fall back on their savings more than ever, is not the time to raid their savings and worse still make them fear of further raids to come. It is a dangerous precedent. The \$ 3 million that the Government will be extracting from the credit union system cannot solve Government's near \$1,000 million fiscal hole, which it created, but it could threaten a contraction of savings and investment of more than \$3m by disincentivising savings and pooling money for investment.

Bank assets are subject to tax in some jurisdictions but Barbados will be the first administration to tax credit unions in the region. Credit unions in the United States which have all of the trappings of a bank are not taxed and yet we want to tax the assets of credit unions. Caribbean Confederation of Credit Unions has strongly expressed its opposition to any Government seeking to impose taxes on credit unions. This Government should understand that. It has a number of persons who have served at the highest levels of the Movement. Where are the voices of Ronald Jones, Stephen Lashley, Maxine McClean, James Paul, Irene Sandiford Garner and even Michael Carrington?

First this Government sold the unions down the river and now it is selling ordinary savers too. If the Government wants to treat credit union like banks then it should provide the legislation for the deposit insurance scheme that it promised Credit Unions over 4 years ago. There are other fundamental differences between banks and credit

unions. Level the playing field if the Government insists on taxing the assets of Credit Unions. Credit Unions cannot issue chequing accounts, Foreign exchange services, and other services that banks can offer.

This will also undermine the important social out reach work that Credit Unions play, at a time when public services are overly stretched. This includes Scholarship programmes at the primary secondary and tertiary levels, Medical Assistance to their Members, Grants to members in need and community based organization among others.

This money will be better utilized by Credit Unions in meeting the needs of their members and the communities they serve. Credit unions are closer to the people and that is why the movement has grown even during this difficult financial and economic times. This is not a political issue. This is a people issue. This is an issue that affects the largest group of shareholders in Barbados.

The members of the Credit Unions are now being added to the pensioners and policy holders of British American Insurance and CLICO who have been left to the vagaries of a perilous economic environment and an indisciplined and grabbing government. The public must say to the Government to keep their hands off their hard earned savings.

Hon. Mia Amor Mottley Q.C., M.P.
Shadow Minister of Finance
Leader of Opposition

24th January 2015