
THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1976 – 81

HOUSE OF ASSEMBLY

Tuesday, 24th June, 1980

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m. o'clock.

PRESENT

His Honour W. C. B. HINDS, J.P., (Speaker); Mr. R. St.C. WEEKES, J.P.; Hon. L. S. CRAIG, (Minister of Housing, Lands and the Environment); Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. M. C. C. WARD; Hon. H. B. ST. JOHN, Q.C., LL.B., (Deputy Prime Minister, Minister of Trade, Tourism and Industry) (Leader of the House); Hon. L. R. TULL, M.A., (Minister of Education and Culture); Mr. DeL. O. BRADSHAW; Mr. L. L. SISNETT, and His Honour E. E. ALLEYNE, LL.M. (Deputy Speaker).

Prayers were read.

Dr. CHELTENHAM entered the Chamber and took his seat.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, 17th June, 1980.

Hon. H. B. ST. JOHN: Mr. Speaker, these Minutes have been circulated and subject to any observations of error by hon. members, I beg to move that they be confirmed.

Mr. SPEAKER: If there are no observations by hon. members, let these Minutes stand confirmed.

Dr. HAYNES entered the Chamber and took his seat.

PAPERS LAID

Hon. H. B. St. JOHN: Mr. Speaker, I beg to lay the Public Officers Loan and Travelling Allowance (Amendment) (No. 2) Regulations, 1980 and the Rate of Interest (Amendment) Order, 1980.

Mr. SANDIFORD entered the Chamber and took his seat.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of a Resolution to approve the compulsory acquisition of lands at Halls Road and Constitution Road, St. Michael, for the purpose of constructing a roundabout and a Resolution to approve the lease of land at Prescod Boulevard, Fontabelle, St. Michael to Bruce Hill Ltd.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to give notice of a Bill to amend the Off-Shore Banking Act and a Bill to amend the Patents Act.

NOTICES OF QUESTIONS

Mr. SPEAKER: The hon. member for St. Michael South, his question respecting the 1980 Common Entrance Examination.

Mr. SANDIFORD: Mr. Speaker, to ask the Minister of Education:

1. Will the Minister supply the following information in respect of the 1980 Common Entrance Examination to Secondary Schools:—

(1) How many items were there on the English Paper?

- (2) How many pupils obtained 80% or more of those items correct, and how many in this category were male and female respectively?
- (3) How many pupils obtained 50% or more of those items correct, and how many in this category were male and female respectively?
- (4) How many pupils obtained 30% or more of those items correct, and how many in this category were male and female respectively?
- (5) How many pupils obtained 10% or less of those items correct, and how many in this category were male and female respectively?
- (6) How many pupils got no item correct, and how many in this category were male and female respectively?
- (7) How many pupils sat the paper, and how many were male and female respectively?

Mr. SPEAKER: The same hon. member, his question respecting the mathematics paper.

Mr. SANDIFORD: Mr. Speaker, to ask the Minister of Education:

Will the Minister supply the following information in respect of the 1980 Common Entrance Examination to Secondary Schools:

- (1) How many items were there on the Mathematics Paper?
- (2) How many pupils obtained 80% or more of those items correct, and how many in this category were male and female respectively?
- (3) How many pupils obtained 50% or more of those items correct, and how many in this category were male and female respectively?
- (4) How many pupils obtained 30% or more of those items correct, and how many in this category were male and female respectively?
- (5) How many pupils obtained 10% or less of those items correct, and how many in this category were male and female respectively?
- (6) How many pupils got no item correct, and how many in this category were male and female respectively?
- (7) How many pupils sat the paper, and how many were male and female respectively?

Mr. SPEAKER: The same hon. member, his question respecting the maximum total score possible.

Mr. SANDIFORD: Mr. Speaker to ask the Minister of Education:

Will the Minister supply the following information in respect of the Common Entrance Examination to Secondary Schools:

- (1) What was the maximum total score possible?
- (2) What was the English and Mathematics Quotient respectively contributing to that maximum, Total Score?
- (3) How many pupils obtained that maximum, and how many in this category were male and female?
- (4) What was the minimum score possible?
- (5) What was the English and Mathematics Quotient respectively contributing to that minimum score?

12.30 p.m.

Mr. SPEAKER: The hon. member for St. Philip South, his question respecting street lights in St. Philip.

Mr. WEEKES: To ask the Hon. Minister:—

Is the Minister aware that there are no street lights in two areas in Gernswick, St. Philip; (1) Village Road and (2) the main road leading to St. Martins Church, and that no installation has been done in the districts since 1976?

If the answer to the above is in the affirmative, will the Minister take the appropriate action to install at least 6 lights in these areas?

Mr. SPEAKER: The same hon. member his question respecting the placing of Post Boxes.

Mr. WEEKES: Is the Minister aware that due to increased postal communications, that post boxes are needed at near Four Roads Primary School, Barbados Workers Union Housing Development, Mangrove, St. Philip, and Belair, St. Philip?

2. Will the Minister take the necessary steps to see that post boxes are placed in these areas?

Mr. SPEAKER: The same hon. member his question respecting public conveniences in the Parish of St. Philip.

Mr. WEEKES: Is the Minister aware that the condition of most public conveniences in the parish of St. Philip (especially those built by the defunct Southern District Council) have deteriorated and are in a deplorable condition and could be a health hazard to the public who use such conveniences?

2. If the answer is in the affirmative, will the Minister take such steps as are necessary to have repairs to these public conveniences and baths effected without delay?

Mr. SPEAKER: The hon. member for St. Michael South, his question respecting crime statistics.

Mr. SANDIFORD: To ask the Hon. Minister:—

Would the Minister supply the appropriate statistics showing the incidence in particular of the crimes and offences of (i) murder, (ii) manslaughter, (iii) rape, (iv) carnal knowledge, (v) indecent assault, (vi) robbery, (vii) burglary, (viii) housebreaking, and in general of all crimes and offences during the calendar year 1978/1979, and January to May 1980?

Mr. SPEAKER: The hon. member for St. Philip South, his question respecting water mains.

Mr. WEEKES: To ask the Hon. Minister:—

Is the Minister aware that there is a short portion of road at Gemswick, St. Philip which has no water mains and that the residents must use several lengths of galvanized pipes to get water at their homes?

If the answer to the above is in the affirmative, will the Minister give favourable consideration to the matter and take necessary steps so that water mains be laid to alleviate the hardships which these needy people are obligated to face to get the water service at their homes?

BILLS READ A FIRST TIME

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that a Bill to amend the Offshore Banking Act be now read a first time.

Hon. L. R. TULL: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that a Bill to amend the Patents' Act be now read a first time.

Hon. L. R. TULL: I beg to second that.

The question was put and resolved in the affirmative without division.

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is the Instant Order of the Day.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Item No. 3 be the first Order of the Day.

EVIDENCE (AMENDMENT) ACT, 1980

Item No. 3 was called — To move the Second Reading of a Bill to amend the Evidence Act, Cap. 121.

Hon. L. R. TULL: Mr. Speaker, Sir, under the provisions of the Evidence Act, Cap. 121, the members of the Medical Profession are required to attend Court and give evidence in both criminal and civil proceedings. For several years there have been complaints from members of the Medical Profession, particularly those members in the Hospital who have been claiming that it has been a matter of great inconvenience for them to go to the Courts to give evidence when they are required to do so.
12.40 p.m.

They have complained that the system works very much against the routine at the Queen Elizabeth Hospital. Accordingly, this Bill, the Evidence Amendment Bill 1980 is making provision for the admissibility of the evidence of medical practitioners, on the basis of a certificate and it can be produced in any court, or coroner's inquest, criminal, or civil proceedings, Supreme Court, or Magistrates' Court. However, the Bill is making provision for the Court, its own motion, or, on the application of any party in the proceedings before the Court to require that the medical practitioner be made to attend the Court for cross-examination.

This Bill has been approved by the Judicial Advisory Council, Sir. You will note, Mr. Speaker, that it takes in only the medical profession and not other professions. At the moment, there is a comprehensive bit of legislation being prepared to amend the Evidence Act. I think that the draft has been completed and it is in the Attorney-General's Chambers at the moment. The period of consultation between the Government, the various professions, the Bar Association, the Judges and so on will be a number of months. Eventually, when this Bill is ready, it will take a look and make provision for other professions in respect of the admissibility of their evidence before the courts of law, and their presence, or, otherwise to give that evidence.

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

Hon. H. B. ST. JOHN: I beg to second that.

Mr. SPEAKER: The question is.....

Dr. HAYNES: Mr. Speaker, this particular amendment to the Evidence Act is very welcome by me, personally and certainly, welcome by hon. members on this side.

I have had a personal interest in this matter, not because I am required to attend the courts frequently because of the nature of my particular speciality which I practise, but because it had become apparent to me, many years ago, that the present system which existed in Barbados was outmoded and needed changing and indeed, caused a great burden to health personnel, particularly, those working in public institutions and the Queen Elizabeth Hospital in particular. As I said, I have no personal reason to support the Bill because, although I am a member of the medical profession, I myself only appear in court occasionally to give evidence on civil matters and I doubt that my frequency would be significantly reduced by this piece of legislation. However, I think that I am very glad to see that the efforts which I have made down the years have at last, come to fruition.

About five to six years ago, I did an indepth study of this matter, as it related to Commonwealth countries, including Jamaica here in the Caribbean. On the basis of that, I submitted, through the Hospital Director to the Ministry of Health, which eventually went on to the Attorney General's Chambers, a summary of the detailed study which I had done, indicating that precisely this kind of Amendment could be done, without compromising the administration of justice in Barbados.

I have had extensive consultations with senior members of the legal profession and indeed, I think that I can say that in that particular submission, I have mentioned that the Chief Justice of Barbados, whom I had consulted on the matter, had no particular objection to it, in the Paper which I finally submitted to the Ministry.

Now, Mr. Speaker, it is important to examine the enormity of the problem as it stands at the moment. Most private practitioners will not see patients with conditions which may result in their having to go to the courts to give evidence, for the simple reason — I do not think that it is a matter of loss of earnings relating to the day, or the days they have to be in the court — but, because it may be necessary for a medical practitioner to leave his office to go to the court simply to confirm that a patient had a cut with a sharp instrument, about three inches long and required six stitches. His entire day is lost simply to give evidence in that kind of exercise. Now, the net result is, that all those patients have to be seen in the Casualty of the Queen Elizabeth Hospital and my re-

search, in this area, was stimulated by the fact that on one particular day, in Medical Out Patients, some five or six years ago, I had about 300 patients attending that Clinic with a junior staff compliment of nine, all nine junior doctors were required to be present in the courts of Barbados that day and I was landed with the task of seeing 300 patients, or thereabouts and when you examine the reasons why they had to go to the court, there was no good reason why any single, one of them, should have been in the courts at all.

Now, also, Mr. Speaker, I would like to make reference to another unsatisfactory arrangement which I myself have not made submission on because it involves other factors, that is, the Marshals I believe and the courts generally. Although a doctor may be summoned to appear in court at a given time, I think it is 9.30 a.m. or something like that, the officers of the court usually make a stand-by arrangement whereby, doctors can be called and they can continue with the work to give evidence at a particular time. This arrangement breaks down from time to time and indeed, I believe, some years ago, there was a very awkward situation where, a surgeon had started to do an operation which he anticipated would have finished by 9.30 a.m. or thereabouts, ran into some trouble, obviously found something that took him a longer time than he had anticipated and I believe that there was a threat of a Bench Warrant, or a Bench Warrant was actually issued in respect of the particular surgeon. Indeed, we had to get up all sorts of tactics that day to stop him from being arrested and taken to the court. It was certainly no fault of his. I believe that a Bench Warrant is the particular thing which is used in that situation. I might be wrong in that term, but the point is that an Order was issued for his arrest and for him to be brought before the court. That is something which I think needs to be looked at, what is the legal arrangement versus the kind of convenient arrangement which can sometimes cause considerable embarrassment and inconvenience to medical practitioners?

This Amendment, I am sure, Mr. Speaker, would save Government, save in brackets, thousands of dollars per year because certainly, at one stage and during the sitting of the Supreme Court, you could anticipate that probably 30% of the hundred odd doctors, who work at the Queen Elizabeth Hospital on any particular day, might find themselves around the courts; the Magistrates' Court and the Supreme Court in Barbados.

12.50 p.m.

It will Mr. Speaker, I think, allow a wider spread of this work if certain things are done, that is, not only the doctors working in the Queen Elizabeth Hospital, but other general practitioners would probably now, provided the new provision of this Act is made clear to them and it has been sufficiently publicised, see these patients and submit their evidence on a certificate.

Before I get on to a few specific recommendations, I have to make, I think that is high time that this nonsense that goes on in Barbados where the most junior doctors, often pre-registration house officers and the most junior house officers are the people who have been found in the courts day after day giving evidence of a professional nature and evidence with purports to be expert testimony should stop. I believe that this amendment would probably lead to a situation where the most senior people and the genuine experts in the particular areas would be in the courts giving evidence and this could only further assist in the administration of justice in Barbados. In this particular area I must voice my concern with the absence of effective forensic services in Barbados. Many labs are primitive as far as I am concerned and the professional skills are available elsewhere in the world, and it is most important particularly when you are dealing with important crimes which may well involve someone being condemned to death or being sent to prison for a long time that you have adequate forensic services. Forensic medicine is a specialist field in itself. If I were asked tomorrow or now to give an opinion on how long someone was dead, I would be totally incompetent to do so because I have never done so since I was qualified and may have attended to these matters on a very superficial basis as a student, so that many of our postmortem examinations are done by people who are not trained in the area of forensic medicine. Many examinations are not done by pathologists, by forensic pathologists — don't get me wrong; I do not want to cast any aspersions on anyone. You have general pathologists, you have all types of pathologists — bio-chemists, haematologists and otherwise, but there is an area of forensic pathology whether it applies to anatomy, physiology, the investigation of a rape case, the investigation of a murder where a specific expertise is required, and I think it is about time that we pay attention to this matter and try and get the best forensic expert knowledge available to the courts in Barbados in the interest of the administration of justice.

I did hint earlier, Mr. Speaker, that I had a few positive suggestions to make as well. I think the Ministry of Health should undertake the task of informing all medical practitioners in Barbados of the nature and objectives of this particular amendment. I believe the Ministry of Legal Affairs should take the appropriate steps to inform all barristers, all attorneys-at-law as to the substance and the objectives of the amendment. I do not think that whether this is done directly by the Ministry or through the Barbados Association of Medical Practitioners there would be any problem of getting the doctors to cooperate, because such cooperation is very necessary. Where I am not so sure is whether you will get the full cooperation on the part of particularly the junior members of the legal profession, because it seems to be part and parcel of the theatrics of court procedure where the barrister, the attorney-at-law wishes to let his client

know that everything possible is being done, to have a junior doctor on the stand and probably get some antiquated textbook to seek to ask some embarrassing questions and so on as part of the tactics of the game as I gather. I have never witnessed it myself, but I gather it is a very commonplace thing, but I think the more senior members of the legal profession who would have gone through that exercise would perhaps bring enough influence to bear on the profession in general to observe the general spirit of this amendment, as at the time when I did that particular bit of research, Mr. Speaker, one of the things that came across very clearly was that if this kind of thing is to function well, then the spirit of it should be observed by both the medical profession and by the legal profession.

The third point I would wish to make, Mr. Speaker, is that I would suggest to the Ministry of Legal Affairs that they prepare a prescribed form on which the information that would normally be required of a medical practitioner could be filled in, and I say this for this reason, Sir: one may submit a medical certificate which may contain the relevant facts, but those facts may not be set out in a manner as required by the law, and then what would happen is that the certificate would then be objected to by one party or the other, and then the purpose of allowing the certificate to be admitted in evidence could be frustrated because of the manner in which the information has been set out. I think that this goal would be best achieved if you had a prescribed form that could be made available to all medical practitioners which would be worded in such a way that would probably cover 90% of the kind of problems which would result in doctors appearing before the court, and in that way the scheme could get off the ground far more effectively because if doctors find that despite the fact that they submit certificates which they consider from a medical point of view to be perfectly acceptable, but from a legal point of view might not be quite so acceptable. To give an example, Mr. Speaker, let us say that someone is cut or something like that on the arm; it might not occur to the doctor to include that this cut may well be caused by a sharp instrument or a blunt instrument or something like that, whereas if the form had set out "cut, how long, where, caused by blunt or sharp instrument", all these kinds of problems could be obviated if a specific form is used. Such a form of course, Mr. Speaker, should leave provision for any additional comments which a medical practitioner may wish to make out with the particular prescription of a form.

Now, Mr. Speaker, I said that we on this side will support this, and I am glad to be able to stand here and support this piece of legislation not because it is something that I have been striving for for many years, but because in its own right it represents an advancement in

the area of medical/legal practice which is becoming increasingly more complex as the years roll on.

1.00 p.m.

I think that this simple amendment will have a very important impact on the quality of services offered by doctors in the Queen Elizabeth Hospital, would have an impact on the type of person, the type of professional competence of the persons who will be seen frequently in the courts in the future, and you will probably find that more genuine experts will be there rather than to find a situation where junior staff who have not yet been exposed to any particular discipline in depth should be asked to go to the courts day by day to give expert testimony. I welcome the saving clause, Mr. Speaker, which would make provision either by the court itself, if the court itself so wishes, or on application from one party or the other where a member of the medical profession like any other citizen would go before the court and have his evidence tested. I think that this is correct and I would like to say this, that I am not quite so sure of the wording here but in other jurisdictions — I believe in the Jamaica jurisdiction, I was trying to find the paper which I had submitted to the Ministry years ago, but I believe it was the Jamaica jurisdiction — I think that the lawyer on one side or the other had to apply to the presiding officer, the magistrate or the judge, in order to have had the doctor appear in court so as to rule out situations where the lawyer fails to observe the spirit of the law.

So Mr. Speaker, once again I give my support to this piece of legislation, and one recognises that in Government circles that words of wisdom might take a long time to find fruition in legislation, but nevertheless here it is today and I am pleased to be able to support it. Thank you.

Dr. CHELTENHAM: Mr. Speaker, Sir, I join with the last hon. member who has just spoken in welcoming this amendment to the Evidence Act. I had intended to lodge a criticism to the effect that we ought not to be involving ourselves in piecemeal amendments and piecemeal legislative reforms when what is needed is a wholesale reform of the Civil Evidence Act, but I am very glad that the Hon. Minister who introduced this legislation did give the assurance that within another few months he is expecting that the new Evidence Act which is presently in circulation will be brought before the House.

I fear, Mr. Speaker, that I cannot share the expectation of the last hon. member who has just spoken of the impact which this measure is likely to have. In fact I very much expect that the impact will be very minimal indeed, except for some of the matters coming before the Magistrates Court involving a doctor's opinion

as to the cause of an injury and the extent of an injury, in almost all the matters coming before the Supreme Court I would expect that the doctor will still have to make his appearance. This will arise, Mr. Speaker, partly because of the fact that often in dispute is the question of the quantum of damages that should result from an injury, and the court will only be able to arrive at a very fair understanding of the extent of the injury, the extent of disability and the limitation which resulted from the injury, the extent to which the chap can recover from the injury if the doctor is exhaustively examined and cross-examined. To that extent, Mr. Speaker, I do not expect this legislation will have the large impact which seems to be anticipated by the last hon. member who spoke.

Dr. HAYNES: On a point of elucidation, Mr. Speaker.

Dr. CHELTENHAM: I don't think I need to give way, Mr. Speaker.

Mr. SPEAKER: The hon. member does not give way.

Dr. CHELTENHAM: I do not think that I have misunderstood anything that he has said, Mr. Speaker, he has made a case for a large impact and I do not think as a practitioner myself that this measure is likely to have that large impact which he anticipated. This will arise partly too as a result of the fact that most members of the medical profession have a very limited appreciation of what it is that the court looks for. Even the most experienced doctors have little or no understanding whatsoever as to what the court looks for, they describe an injury and leave it at that. The court is concerned quite often to put a money valuation on the injury that a man has suffered, the degree of pain and suffering which he has experienced, the degree of functional limitation which he has suffered as a result and the extent to which it is likely to affect him in his employment, and the extent to which he is likely to be landed with a permanent disability, whether there is likely to be the onset of arthritis. Quite often we are concerned to measure the exact degree to which he has lost, let us say, the limitation of an arm, whether 10 degrees, 15 degrees or 50 degrees, and very few doctors have any understanding as to what it is the court is looking for.

In fact, Mr. Speaker, I am quite convinced that the time is ripe for the Barbados Medical Association and the Bar Association to get together and try to sponsor a series of lectures so that the doctors can have a better appreciation of what it is that the court looks for and what it is that the court seeks to measure and the extent to which and the manner in which the doctor should so organise his testimony as to be able to assist the court.

I have heard many thoughts advanced with respect to the junior members of the medical profession not likely to either know of or to appreciate the significance of this amendment. I think, Mr. Speaker, that those remarks were quite ill founded and quite ill merited and perhaps were uttered in innocence of how we set about our work as practitioners of the law.

I just want to say one or two other things in relation to the speech made by the last hon. member. We have at present a medical/legal pathologist, if I may so describe him, a gentleman from India whom the Barbados Government has recently managed to secure. Already he is doing 99% of all the autopsies, and in my experience he is a very competent man, but I find it very difficult to understand how it is that the last member who has just spoken could have spoken with such enthusiasm with respect to this matter when his party was in office for 15 years and never saw the wisdom of supplementing the legal services of this country by introducing a trained pathologist. There can be no doubt whatsoever that the administration of justice, particularly in the criminal law, has suffered as a result of the fact that we have not had a pathologist in these parts who was competent to pronounce on many matters with respect to death and the cause of death. As a practitioner I have made a special study of this area and I have benefitted greatly as a result of that. My last major success in this matter resulted in two accused persons going home the same day after being charged with murder as a result of the weaknesses in this field. We have a gentleman now, an Indian, who has been doing excellent work and I hope that the Government will go further and strengthen this area by giving him the benefit of a well equipped lab.

1.10 p.m.

Mr. SIMMONS: I just want to make one or two points in response to points which I heard since I came in being made by the hon. member for St. Michael South Central. I always understood that when one speaks in a public place or the results of what one said were going to be given publicity or were going to be recorded for posterity, one should be very careful as to the accuracy of those facts and as you would say, Mr. Speaker, or have said, you would not just let words drop out of your mouth. One would think a little before one speaks.

There is a gentleman in this country called Dr. Ksreeramulu, a Registered Medical Practitioner, attached to the Ministry of the Attorney General, who is a Forensic Pathologist who has been so practising as recently as last week Wednesday in the Holetown Court. The hon. member for St. Michael South Central, as I understand it, is also a Registered Medical Practitioner who should know.

Dr. HAYNES: On a point of elucidation. I think that when I spoke that I spoke generally on the upgrad-

ing of the Forensic Services and Forensic Pathological Services as a whole. I am not interested in the services of any particular individual. I am talking about upgrading that area, the Forensic Services.

Mr. SIMMONS: I do not hear too well out of this ear, Mr. Speaker, but I hear perfectly well out of this one, the left one, and I am sure that the hon. member not only conveyed the impression but said that there was no person, nobody performing the function of Forensic Pathologist and all I will move to say is that his understanding is at variance with the truth.

Mr. Speaker, in respect of the criticism made by the hon. member about cross-examinations of expert witnesses, he purported to give the impression that Lawyers for reasons, historic or otherwise, in good Barbadian parlance, pomposett or try to, if they have a Doctor giving evidence. That is not so, Mr. Speaker. As I understand the Law of Evidence, an expert witness gives evidence based on his experience, qualifications and expertise in a particular area but it is open to the Court to find as there would with all the other evidence, certain facts. He is not giving a firm, binding and conclusive opinion although expert. Therefore, his evidence is subject to challenge and subject to testing like the evidence of any other witness. Because of his particular expertise in the area and because of the Lawyer's perhaps limited expertise, one would not expect that unless you are instructed by, let us say, an expert also in the same area.

If a Doctor is examining you and you are cross-examining another Doctor you are putting instruction from the Doctor who is advising you but you would not expect that one is going to go for a Doctor who is an expert with the same degree as you would, for example, another witness as to pure everyday fact but in order to do justice to your client, in full pursuance of your responsibility and duty to your client, you are in duty bound not to accept necessarily what a Doctor gets on the stand and says without putting it to the test.

In order to prepare yourself to battle with it, you go and read up from Gray's Anatomy Specialist Work on a particular area so that you familiarise yourself, not only with the term but also everything connected with the particular area that may be disputed and that you are seeking to elicit the truth about because it is all too easy to hear that so-and-so died from shock and hemorrhage, words that were common for many years in this country in the Court but shock and hemorrhage may be the result of something else and you have to test the expert witness.

You have to put the possibility that the man could have died from cardiac arrest or whatever to the expert witness to give the best representation to your client, so I do not think that the Medical Profession should feel peeved because at times they have to undergo vigorous

cross-examination from Counsel. It depends on the nature of the case and all the angles that have to be put.

In respect of this particular Act, Mr. Speaker, I welcome it because it has so many Sections, Clause 20A, I believe is a Clause that all Lawyers have been asking for for many years, even during the days of the Democratic Labour Party regime when other people were Attorneys General. I seem to recall Resolutions of the Bar Council between 1974 and 1975 asking about a simplification of the Law of Evidence of allowing Medical Reports. It has numerous advantages. It is going to save a number of Doctors from coming to Court. At the moment many of them do not like to come to Court and I do not think that I am being unfair when I say that.

It is going to, at the same time, reduce costs to the client because if the Medical Report can be admitted after agreement by consent, there is no need to bring a Doctor and you have everything in front of you because in fact, when the Doctor comes, nowadays, you would have an advance copy of his Report and then he would give oral evidence virtually of what is in his Report and he is doing two jobs. He is only there basically for cross-examination when you really come down to it because he would have put in his Report and then have him up for cross-examination. I think it would also encourage a lot of Doctors who now refuse to see patients if they believe that the case is likely to go to Court. (ASIDES).

I did not hear you. I came in the middle of you. I came in in the middle of the hon. member's speech for St. Michael South Central. If he has made these points I regret repetition of them. I did not hear him. I heard when he made the errors, Mr. Speaker, I think it would not only redound to a saving of costs as I said, but it would greatly simplify the procedure for most of them.

I echo the point made by the hon. member for Christ Church East that, of course, what will now be demanded of the Medical Profession is perhaps a more detailed Report than has been perhaps the practice in the past.

1.20 p.m.

Very often, it is necessary to get two reports. The first report is...

Dr. HAYNES: Mr. Speaker, on a point of elucidation. I did suggest that it may be useful to have a prescribed form so that the legal aspect could be covered on that form, leaving little room for additional comments and so on.

Mr. SIMMONS: That is a very sound course, Mr. Speaker, and that could be ironed out by a meeting between the Bar Association and the Association of Medical Practitioners as to the type of format which would be

satisfactory. What you are looking for, the nature and extent of injuries, loss of amenities and so on.

I do not anticipate that in every case, it will be necessary to call a doctor, so I do not think that the doctors need worry, that even though they give the reports, they would still be required to turn up for cross-examination. I think that it would probably be in the most difficult cases and not that every case is not important; but with respect to the most serious cases, in terms of the quantum of the damages that may be awarded, or the nature of the injury, a case of brain damage, or something that is not too easily traceable like epilepsy, it may be necessary still to call a doctor. But, in simple cases of a fracture of the humerus, or ulna, or whatever, or the radius — I know some of the terms, Sir — in these simple cases, the lawyers can easily sort out the level of damages quite easily, doing justice to all the parties.

Mr. SPEAKER: The question is...

Hon. L. R. TULL: Mr. Speaker, Sir, the question raised by the hon. member for St. Michael South Central was quite adequately covered by the two speakers, the hon. member for Christ Church East and the hon. member for St. Philip North and very little needs to be said in addition to that, but there are just two points which I would want to put on the Record. As far back as 1960, there was a recommendation from the Judicial Advisory Committee for Amendments to be done to the Evidence Act and one of the major areas in which they made a recommendation, was in this specific area which we are dealing with today. So that was as long ago as 1960 and no action has been taken on it, up to this point. I mentioned this only because the hon. member for St. Michael South Central — anybody who has got the slightest hint of a connection with the Law, will know that the admissibility of medical certificates, instead of the presence of the doctor, is something which is as old as the hills in civil jurisdictions. There is nothing new about it, Sir. But I only mentioned it, because the hon. member was trying to make out that this Proposal was put up some short six years ago and that Government has taken all this time in which to take action. So, I really want to point out that as long ago as 1960, that the Judicial Advisory Council made this recommendation and nothing was done about it.

Indeed, in respect of the whole field of evidence, the recommendation was made at least twenty years ago, for a comprehensive review and amendment of the Evidence Act and it is only in the last two years, that the Attorney-General of this country has got the consultancies and so on to redraft a new Evidence Act and as I say, we hope that within a few months' time, the Act would be publicized.

Now, there is one other aspect of the submission which the hon. member made, which I need to adjust myself to. I think that it has been covered to some extent, by the two hon. members who just spoke. I do not want anybody to get the impression that doctors will not have to go to the courts in Barbados, almost as often as they are going now. There is no way on earth, in which any lawyer, who is worth his salt, is going to allow a doctor to put in a certificate in the court of law in a multitude of cases in which he is appearing, without bringing that doctor before the court and taking him through the grill on the witness stand. So, I do not want anybody to form the impression that by the stroke of the pen that the doctors will not have to go to court any more because I would imagine, that the respite that they are getting in this particular piece of legislation is fairly marginal.

Now, the hon. member for St. Michael South Central, makes the point about the number of doctors in the hospital who have to go to the courts, the difficulties in going and this sort of thing. It is interesting that two weeks ago, the same hon. member mentioned the figure of \$3 million a year that we, in Barbados would save, if doctors do not have to go to court. Now, I hope that the Commissioner of Inland Revenue is taking note of that because if the few doctors who occasionally go into court per year, will save this country \$3 million...

Dr. HAYNES: Mr. Speaker, on a point of order. I think that the hon. member is mistakenly, misrepresenting what I said. I am talking about savings in Government's spending on salaries and other consequential things in Government employed officers, the amount of time which they spend in the courts, rather than practising medicine, delays to patients, ambulance services to bring them again and again and so on.

Mr. SPEAKER: The point is well taken.

Hon. L. R. TULL: Mr. Speaker, Sir, the hon. member should not take me for a fool. All of the doctors at the hospital do not work for three million dollars a year, so I do not know what the hon. member is talking about. But, today, Sir, he climbs down and he talks in thousands of dollars, so I do not really understand where he is coming down.

The hon. member tries to make out that doctors have to go to court and disrupt their routine, it takes up so much of their time and all that. The whole purpose of the Government bringing this piece of Legislation is to avoid just that because we understand, appreciate and sympathize with the problem. But, you have doctors in Barbados, Sir, who are reluctant to go to the courts in Barbados when, quite often, their presence in the courts will help to determine the rights of humble people in this community. They do not like to go to court

and they resist it as much as possible, but they have not got the slightest compunction to go to the United States to give evidence in the courts there. It is only very recently, Sir, that one of the doctors who does not like to appear in the courts in Barbados and who makes no secret about it, was quite prepared to pass up a very serious, Parliamentary event to go and give evidence in the United States. You cannot have it both ways. Finally....

Dr. HAYNES: Mr. Speaker, on a point of order.

Mr. SPEAKER: What is the point of order?

Dr. HAYNES: The point of order is that the hon. member is perhaps, mistakenly, misleading the hon. House in respect of saying that an hon. member who is always reluctant to go to court in Barbados finds it possible to go to the United States to give evidence.

Mr. SPEAKER: That is no point of order.

Dr. HAYNES: The point, Mr. Speaker, is that...

Mr. SPEAKER: That is no point of order. Will the hon. member take his seat.

Hon. L. R. TULL: Mr. Speaker, Sir, the hon. member said that it is not fair to him, but does he expect me to be fair to him?

Mr. SPEAKER: Let us have some order, please.

Hon. L. R. TULL: Mr. Speaker, I beg to move that this Bill be now read a second time.

Hon. Miss B. A. MILLER: I beg to second that.

The question was put and resolved in the affirmative without division.

1.30 p.m.

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Your Honour do now leave the Chair and the House go into Committee on the Bill.

Hon. L. R. TULL: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clause 1 was called and passed.

Clause 2 was called.

Hon. L. R. TULL: Mr. Chairman, I beg to move that Clause 2 stand part.

Dr. CHELTENHAM: I beg to second that.

Dr. HAYNES: Mr. Chairman, I should like to clarify Clause 2 which includes 20A. I think the general approach by myself in relation to this matter has been adequately stated, but there are two specific points that I would want to raise here, and I will take this opportunity to raise them. One is that there is no question of junior doctors not being informed of the contents of the Bill. What I am saying is that it will be necessary for a positive position to be taken by the Ministry of Health and by the Ministry of Legal Affairs to make sure that all members of both professions, the medical and the legal professions, to become fully apprised of the contents of the Bill, because what may be reported in the press may not be a detailed account of the debate that took place in here today, so that the precise implications of it might not be available to all members of the medical and of the legal professions, particularly the medical profession who would not normally see Bills or anything like that.

The second point that I should like to make is that the vast majority of appearances by doctors in the courts of Barbados are in the magistrates' courts and this is particularly applicable to proceedings in the magistrates' courts. I do not anticipate like the hon. member for St. Philip North and the hon. member for Christ Church East that this will result in a significant reduction in the instances in which members of the profession will have to appear in the Supreme Court on civil or criminal matters, but that represents a very distinct minority of the occasions on which doctors are required to appear in court, and the vast majority of appearances occur in the magistrates' courts. I would say 80% or maybe more obtain in the magistrates' courts and a much smaller percentage in the Supreme Court. Those are the two points I should like to make, but I am of the view that once the thing is observed in spirit by both sides, doctors and lawyers, and once that form is completed, it would be a significant reduction in the number of appearances that doctors would have to make in the courts in Barbados.

The question that Clause 2 stand part, was put and resolved in the affirmative without division.

On motion of Hon. L. R. TULL seconded by Dr. CHELTENHAM, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. R. TULL seconded by Dr. CHELTENHAM, the Bill was read a third time and passed.

THE SAVINGS BONDS ACT, 1980

Mr. SPEAKER: Order No. 4 stands in the name of the Hon. Leader of the House, to move the second reading of a Bill to authorise the issue and payment in Barbados of Savings Bonds.

Hon. H. B. ST. JOHN: Mr. Speaker, in the Budgetary Proposals of the Minister of Finance in 1979, the Minister outlined the Government's plans for the creation of a new instrument to encourage savings particularly by small people in Barbados. The object of this Bill is to empower the Central Bank as agent of the Government of Barbados to issue new certificates to be called Savings Certificates periodically up to a limit of \$25 million with a view to giving effect to this objective of the Government as outlined in the Budgetary Proposals of 1979.
1.40 p.m.

Hon. members will be aware that in Barbados there are few opportunities for relatively small income earners to save other than by way of investments in savings deposits in banks, treasury bills, debentures or mortgages or deposits in commercial banks. A careful analysis of these various areas of saving has shown that for many reasons these instruments have not been attractive to small savers in Barbados. In this community you do not have the equipment to a very large extent of the Savings and Loans Associations in the United States, the Building Societies in the United Kingdom and similar instruments in other parts of the world. Regrettably cooperatives have not received the degree of interest in Barbados that they have received in other countries, but nevertheless it is necessary particularly if we are to fulfil our objectives of the encouragement of maximum home ownership in Barbados for Government to create instruments to ensure that people very early in their lives start to make provision for the minimum capital required to pay down in order to secure a loan. One of the best ways of doing this is to have instruments which will encourage people as soon as they can work to put aside small sums so that when added together over the course of four or five years could well amount to the required 10 to 15% or 20% of the prospective cost of accommodation.

I believe that the record of this Government in encouraging financial institutions in Barbados to lend greater sums of capital for housing as opposed to things that are used in houses is a very good one. We have reached the stage now where to give further thrust to this objective special instruments have to be created. The concept of national savings, a national savings year, special inducements by an instrument such as a national savings certificate was put to the National Economic Council and it received the full endorsement of that Council. We hope that the interest rate will be better than

the Treasury Bill rate, better than the deposit savings certificate rate, better than the savings account rate, and the peculiar feature of these national savings is that their liquidity is dependent not upon their transferability but the fact that when they are needed they can be surrendered and encashed together with the appropriate interest. I think that that will get around the problem which has been found in relation to debentures and other instruments. Debentures have to be transferable and very often there may not be a market for them, but the savings certificate will be able to be surrendered to recover the principal put in with the appropriate interest. Of course there will be flexibility in the interest rate and those people who keep them for a longer period will get a better interest rate so as to encourage a longer period of holding in the savings certificate.

I think that the implementation of this objective is another part of the programme of Government to create conditions in Barbados that everyone irrespective of their income group can participate by themselves in savings with a view to ensuring that they will have the necessary seed money or deposit money when they wish to take a major decision such as the building of a home which is very important to us, and this Bill is really complimentary to the other series of measures effected, namely, the national housing bonds, the second tranche of which I am hoping will be out very soon.

So with that, Mr. Speaker, it gives me great pleasure to commend the second reading of this Bill. I beg to move that this Bill be now read a second time.

Mr. BRADSHAW: I beg to second that.

Dr. HAYNES: Mr. Speaker, my understanding of the presentation by the hon. member for Christ Church South Central is that this Bill will be giving effect to a 1979 budgetary proposal of the Hon. Minister of Finance in respect of authorising the issue and payment in Barbados of savings bonds and provide for related matters.

The question that has crossed my mind is this, that whereas I do not object in principle to a national savings scheme of this kind, I certainly would like to get a lot more information about the status of the national debt of this country, because it is not only a matter of savings for individuals but it is a matter of further borrowing by the Government when this exercise is gone through. The kind of information that I would like in order to see this in its proper economic perspective would be information relating to the situation of the public debt of Barbados which is largely basically a Government debt, it is really what the Government collectively owes either to individual citizens or to other organisations internally or externally. I would like to know what projections the Government would have for a national debt of this coun-

try which has escalated over 100% in a four year period, what kind of projections they would have in relation to realistic estimates like the national income, what kind of percentage of the national income will they anticipate the public debt of this country to rise to.

I would like to hear a breakdown of the funding debt, what components of the national debt of this country is funded, the unfunded debt, the floating debt such as Treasury Bills and so on. There is some information you can get in the Central Bank Reports but they do not give much information about other aspects of the management of the public debt. I would also like to get some further and better particulars of the programme of capital and interest payments required in external currency now and over the next five years as projected by the present Government. Now, Mr. Speaker, I say this because what could be a good measure in respect of savings could be frustrating if it is yet a kind of untapped device being used by the Government to make available to it as it wishes further borrowings from its citizens having exhausted many other avenues of borrowing. It is evident that the overdraft at the Central Bank, if you take out the long term debentures and look at the short term borrowings, that they run at a level of between 60 and 80 million dollars over the past three to four years as compared with probably 10 to 20 million dollars in the preceding years.

1.50 p.m.

That is one aspect that we have to be very careful about. Now, another aspect that is important, Mr. Speaker, is that I would like to know more about the distribution of the public debt of Barbados. For example, whether we are getting into the area where agencies of the Government will be actually holders as part of the public debt, what component of the public debt consists of guarantees by Government, what other bodies apart from the Central Bank or apart from other overseas agents might be lenders to Government.

Now, Mr. Speaker, I would like to hear, because in the context of this, what we should get from the other side would be some kind of management policy in relation to the public debt of Barbados and I say this for this reason. Prior to 1976, the average rate at which the Public Debt in this country accumulated was \$13 million to \$14 million a year. Up to 1976 the rate of escalation was somewhere in the region of \$15 million a year.

Now, what is happening here is that it is my belief that it is not only a question of saving that is motivating the Government to bring this Bill before this Honourable House now but also looking for further avenues of borrowing, this time tapping the pockets of citizens who have been already severely treated by the hyper-inflation rates which prevailed in this country and having taken

other taxes over the past four years, certainly, if you look at the 1975 actual incomes and the Estimates of 1980, you will see that there will be taxed doubly, that the amount of tax deducted from the individuals in this country would have doubled during that period.

Now I appreciate very well, Mr. Speaker, that a device of this kind would present a very ready opportunity for Government to be continuously able to borrow and at will except for the ceiling that is set but of interest to the citizens of this country who would be the purchasers of those services, would be in the economic viability of the country as a whole and the extent of other borrowers.

Also in the area of Management of the Public Debt, I would like to know whether steps are being taken to reduce or to control or to minimise the net interest caused by this massive debt which we have accumulated over the past four years.

I would also like to know, whether as can be done, this is a bit on the technical side, that the issue of Saving Bonds and Saving Certificates can be a flexible weapon in the assistance of the Management of the National Debt with a view to the reduction of your net interest cost, but in order to do that, it is necessary to know and I think that every member of this House should know, what is the programme of borrowing by the present Government, whether it is going to go on on a kind of haphazard basis.

You can get some money from OPEC. You can get some money from IADB. You can get some money from here and there and get what you can get but that is not the way to borrow because you might find yourself in a position, if your debt programme is not properly structured where in 1985 and 1986 you may be landed with massive capital and interest repayment all going to come in a particular area and then you have to start talking about re-scheduling of debts.

Now, I have never heard this matter discussed before this Honourable House. You may find that the very Certificates when they mature, if you are in a difficult economic situation that you might have problems of your failure to programme your debts. Now I do not know if this has been done but I think it is my duty when I see the National Debt of this country double over a period of approximately four years, \$214 million to \$429 million at the end of February, 1980, as to \$240 million at the end of March, 1976, I believe it dropped either by \$9 million according to the latest Central Bank Report but according to the Hon. Prime Minister's Budgetary Proposals it would drop to \$404 million but the Central Bank's Report says \$415 million at the end of March. There is a discrepancy of \$9 million and I guess this kind of thing was bound to occur if you attempt to

bring a Budget before you get an adequate out-turn of information in respect of the preceding year.

Now, Mr. Speaker, two more points I want to make. One, this country has been surviving over the past three years for sure, purely on its earnings from Tourism, invisibles basically and excessive borrowings and I do not accept any reference of your interest payments to your exports in a country where exports have large components of re-exports as a useful index for gauging even your external debts apart from the other components of your debt. I do not accept that but that is a matter for argument.

However, we cannot continue borrowing. We cannot continue over-taxing the population. One of the reasons why people have no money to save in this country is because of the combination of inflation and taxation, but inflation, so that the vast majority of our citizens would have very little savings.

Mr. SPEAKER: Will the hon. member complete his address by 2.10 p.m.?

Dr. HAYNES: Yes Sir. I hope to complete sooner in case anybody wants to speak.

Now, as I said, depleted as we are by the high rates of inflation, depleted as we are further by the excessive taxation and inflation, then further put at risk by the excessive borrowings of the present Administration both domestic and external and it is of interest that the external debt of this country has also doubled and more than doubled during the period that I have referred to, and that is, of course, a much more serious element to be considered.

2.00 p.m.

I believe that the time has come for the Government to recognize that its unpopularity in this country, is based on the fact that it is misleading itself into paying too much emphasis on criteria which may not be relevant to the economic livelihood of the majority of its citizens.

I would just like to end with the famous words of, I think it was McNamara who said, that man cannot live by GNP alone. Man, in Barbados cannot continue to survive on the package of IMF policies, which have been followed by this Government, although not explicitly stating so. So, when you break it down, you see that it adds up to that. Man cannot continue to live in Barbados indefinitely, on the kind of bogus statistics which you get in relation to unemployment, on the kind of bogus statistics that are put out in respect of inflation, on the kind of massive borrowing which would be impoverishing this nation and mortgaging the future of its citizens. Therefore, I am calling upon the hon. member for Christ Church South Central not only to cast a look on the

saving side of these certificates in respect of the individual persons who would purchase them, but to look at the borrowing side of the Government, in relation to the issuing of these Bonds and to let the Honourable House know which is the greater solution on the part of the Government and also, in particular — he may not have all the information with him and I do appreciate that — but such matters as the management of debt, the programming of debt repayments, interest payment spread over a number of years, the net cost of your interest payment, how you will utilize the facility in the money which you will raise for Savings Bonds not only in terms of giving a better interest rate, which I hope will be tax free because I think that the citizens of this country would deserve that break, if that were possible, or certainly, build into it, some kind of preferential tax treatment for people who will purchase these Bonds. I think that that would be a great inducement to them.

But, Mr. Speaker, to look on the other side, the question of borrowing because the two aspects have to be considered. The savings which an individual would get on one hand, and the impact of borrowing policies of Government on the other hand. It can be a useful instrument if used with discretion. I suspect that the hon. member who has had some difficulty in distinguishing between deficit on Current Account and Balance of Payments not quite so long ago, will be unable to grasp some of the fundamental concepts which have been raised in this very address which I propose to wind up right now.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I still have five minutes, and I want five minutes to show that the statement that the National Debt has doubled in the last five years is totally untrue.

I just want to tell the hon. member that if the hon. member will read the documents which are distributed to this Honourable House, the Economic and Financial Statistics, April, 1980 by the Central Bank — he may have them, but he cannot read them. In 1973, the National Debt was \$133 million, in 1976, it was \$258 million, nearly 100%. Today, it is \$429 million. Between 1973 and 1976....

(ASIDES) (Dr. HAYNES rose)

Mr. SPEAKER: Will the two hon. members please take their seats. The two hon. members on their feet..... This Sitting now stands suspended until 2.45 p.m. today. 2.05 p.m.

On resumption:

Mr. SPEAKER: This Sitting is now resumed.

QUESTION TIME

Mr. SPEAKER: It is now Question Time. I am advised that there are no replies to Questions ready, so we go into Private Members' Business.

PRIVATE MEMBERS' BUSINESS

Mr. SPEAKER: There is one Item of Private Members' Business standing in the name of the hon. member for St. Michael South Central who I do not now observe in his place.

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is the instant Order of the day. When the suspension was taken, the hon. Leader of the Honourable House was speaking. Will the hon. Leader of the Honourable House please continue his speech.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I am very sorry that the purveyor of the distortion is not present, for, it has now become his habit, I mean the hon. member for St. Michael South Central, to make the most wild and unfounded statements and then depart from this Honourable Chamber, before other hon. members are able to expose the lack of veracity in his statement.

On this occasion, briefly, I was able to point out, before we resumed this Sitting, that the Economic and Financial Statistics, as set out in the Central Bank of Barbados, April, 1980 Report indicates very clearly, the information which the hon. member sought to elicit.

I find it exceedingly strange that the hon. member is in difficulty in discovering the type of information which he requested, namely, the total of the National Debt of Barbados at the present moment and its constituent, in relation to its local content and its foreign content. Mr. Speaker, Sir, as part of the Records of this Honourable House, is the Central Bank of Barbados Economic and Financial Statistics for April 1980 and for May 1980 and perhaps the hon. member for St. Michael South could convey the message to him. At page 60, Table G6, National Debt for the period ending 1973, 133+2; 1974, 179; 1975, 202; 1976, 258.8. (ASIDES) It does not matter, we are talking about millions of dollars. Mr. Speaker, Sir, it does not matter whether it is March, or December because everybody in Barbados knows that this Government came into power in September 1976. Everybody knows that when a Government comes into power at that period of time in Barbados, that the Budget has already been fixed. There is nothing that a Government can do in three months in a Calendar Year, to correct something which is done for nine months. Well, Sir, the hon. member will know that you cannot borrow in three months.

2.55 p.m.

The truth of the matter is that they left this country in a position that when we came into power there was no money even to pay the civil servants. The Central Bank advances were well in excess, but that is past history.

I want to deal with the point of the hon. member for St. Michael South Central of \$133 million to \$258 million over a four year period. As a matter of fact, it is not quite a four year period, but give him a three year period. That is nearly double. It is true that our position is \$258 million to \$429 million, but I believe the percentages would be very similar. I believe that on a fine examination of it, the percentage would probably show that in the period from the end of 1973 to the end of 1976 it was probably a couple of points greater than between 1976 and the end of 1979, but that is not the point. The point is that a country has got to decide in its mind if it wants development or not. Development can only take place by the Central Government in the form of its capital expenditure programme and by the private sector. The Government of Barbados appointed since 1976 has made it clear that it is our policy and our understanding that if you want to have high employment in Barbados, the Government has got to act as an instrument to stimulate employment generating projects.

We have also made it clear to the public of Barbados that the Government has got to have a surplus on current account in order to finance capital expenditure in the public sector programme. Now, Sir, from the first Budget in 1977 the Minister of Finance said that if we want to have high employment, if we want people working on projects all over Barbados, we have to have a surplus on current account to be able to finance part of the cost of capital expenditure, and that has been our policy because capital expenditure can only be financed out of saving derived from your current revenue being greater than your current expenditure or by borrowing. But, Mr. Speaker, the hon. member for St. Michael South Central quarrels about the borrowing and quarrels about the taxation. May I ask that mythical economist how is he going to finance capital expenditure. The truth of the matter is that the hon. member for St. Michael South Central belongs to that class in Barbados that feels that only a privileged group is entitled by way of high fees to all the income that is earned by other people, bringing it into their hands, they take it and invest it abroad, and he does not care one wink about the unemployment rate in Barbados. How can he consistently talk about the high rates of taxation, talk about the national debt, and at the same time say that there is unemployment? The only way in Barbados we can reduce our unemployment is by having a greater level of economic activity. That level can only take place by the Government and private sector, and the Government

of Barbados has had to take the lead. That is why many of the projects that the Democratic Labour Party, according to them, had on the drawing board should never have seen the light of day.

As a result of our management of the economy, we have reached the situation in Barbados now where there is a greater demand in the construction industry for instance, for labour, and there is labour available. There is a greater demand in the same construction industry for management than there is available.

The hon. member asked about the ratio of local debt to foreign debt. He really could not have been serious because the same table G.6 sets out that of the total debt in February, 1980, of \$429 million the domestic debt that is borrowing internally, was \$315 million and the external part was \$113 million. So that I do not understand the motivation of the hon. member in making a speech in which it is sought to convey to the public at large that the Government is hiding these figures when, Mr. Speaker, the economic and financial statistics of the Central Bank is a public document published and everything, and it is all set out there at page 60. The foreign borrowing is \$113 million of the total of \$429 million. As a matter of fact, Mr. Speaker, the May issue of the Economic Financial Statistics on the same page 60 shows the position at the end of March, so that month by month anyone who takes an intelligent interest in these matters, especially one, and this is what I find so disturbing, that one who is put forward as the principal spokesman for the party on these matters is not so up to date as to know that in May on the same page 60 the national debt on that particular occasion was \$415 million, that the total domestic is \$301 million and the total foreign is \$114 million.

Now I object strenuously to this kind of attitude where the Government is castigated for concealing information by a supposedly responsible spokesman when upon examination it shows clearly that the Government is guilty of full disclosure and he is guilty of ignorance or a lack of appreciation of the material that he has access to.

3.05 p.m.

I am not going to deal with him any more, Sir, the figures are there for everyone to see. This Government is proud of the fact that more money has been devoted to houses and to manufacturing and to the productive sectors of this economy in the last three years than ever before. We have to borrow internally and we have to borrow externally. Thank God our repayment record is good, our credit abroad stands very great and our foreign exchange earnings are increasing rapidly. I know that it was the desire of the hon. member for St. Michael South Central that the sugar industry would have collapsed this

year; I know that was his desire. I have repeatedly called on him to encourage people to reap canes in this country green, I have repeatedly called on the other side to denounce the damage done not only to this year's crop but to last year's crop. I am not asking them to attribute any blame, I ask them to come out with a statement on the floor of the House and say that the Democratic Labour Party is against and recognises the damage that can be done ecologically, economically, socially and politically in Barbados by the burning of canes. I have had nothing but stony silence on their part and I know that they were hoping in their hearts that the balance of payments in this country would be bad at the end of the year because we did not have a good sugar crop, but God is on our side, 130,000 tons have already been reaped. That is in the bag. The oil price increase that we have had to pay, \$11 million, thank God, Mr. Speaker, part of that will be made up out of the very sugar that the Democratic Labour Party — the hon. member on the other side is part of it too, he has never denounced publicly.....

Mr. SANDIFORD: Mr. Speaker, on a point of order. The member is imputing improper motives to me now, he is pointing across to me and he says the member on the other side. I am the only member on this side and I am proposing for your consideration that it is imputing improper motives to me to imply or to state that I am interested in seeing the sugar crop ruined so that the balance of payments would not be good especially in circumstances where this country depends substantially on the sugar crop for a great part of its revenues. After all, I am a small cane farmer too.

Mr. SPEAKER: I thought the hon. member had risen to denounce now the burning of the sugar cane. That is no point of order.

Hon. H. B. ST. JOHN: They cannot have their cake and eat it too. I charge that the hon. member has spoken on many political platforms with his colleagues, particularly the member for St. Michael South Central and the member for St. Michael North Central, and both the member for St. Michael South Central and the member for St. Michael North Central have said to the public not to cut the canes and the hon. member for St. Michael South has never publicly dissociated himself from that.

That is what I call irresponsible, people having interest only in a narrow political interest of trying to get back into power. That is all, they do not care at all about the overall economy of Barbados, they are only interested in the narrow political gain that can be obtained in the event of the Government not having enough foreign exchange to pay the increased oil bill.

Mr. Speaker, I beg to move that this Bill be now read a second time.

Hon. L. S. CRAIG: I beg to second that.

The question was put and resolved in the affirmative without division.

On the motion of Hon. H. B. ST. JOHN seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 to 14 were called and passed.
3.15 p.m.

On the motion of Hon. H. B. ST. JOHN, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER, resumed the Chair and reported accordingly.

On separate motions of Hon. H. B. ST. JOHN seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

ADJOURNMENT

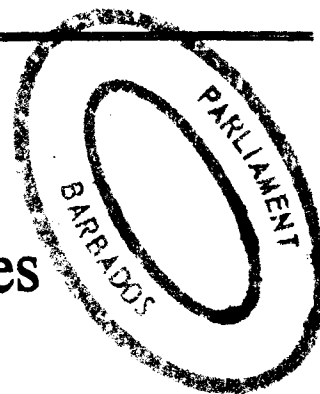
Hon. H. B. ST. JOHN: Mr. Speaker, that concludes Government Business today, and I beg to move that this House be adjourned until Tuesday, 1st of July, 1980, at 12.00 noon.

Hon. L. S. CRAIG: I beg to second that.

The question was put and resolved in the affirmative without division and Mr. SPEAKER, adjourned the House accordingly.
3.20 p.m.

THE
House of Assembly Debates

(OFFICIAL REPORT)



SECOND SESSION 1976 - 81

HOUSE OF ASSEMBLY

Tuesday, 1st July, 1980

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock.

PRESENT

His Honour W. C. B. HINDS, J.P., (Speaker); Rt. Hon. J. M. G. M. ADAMS, M.A., (Prime Minister and Minister of Finance and Planning); Hon. H. deB. FORDE, S.C., M.A., LL.B., (Attorney General and Minister of External Affairs); Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Agriculture, Food and Consumer Affairs); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. M. C. C. WARD; Hon. H. B. ST. JOHN, Q.C., LL.B., (Deputy Prime Minister, Minister of Trade, Tourism and Industry) (Leader of the House); Hon. L. R. TULL, M.A., (Minister of Education and Culture); Mr. DeL. O. BRADSHAW; Mr. L. L. SISNETT; Dr. R. L. CHELTENHAM, M.Sc., (Econ.); and His Honour E. E. ALLEYNE, LL.M., (Deputy Speaker).

Prayers were read.

Messrs. SANDIFORD and SIMMONS entered the Chamber and took their seats.

MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Tuesday, 24th of June, 1980.

Hon. H. B. St. JOHN: These Minutes have been circulated and subject to any observations as to errors by any hon. members, I beg to move that they be confirmed.

Hon. H. deB. FORDE: I beg to second that.

Mr. SPEAKER: If there are no observations from hon. members, let these Minutes stand confirmed.

Dr. HAYNES entered the Chamber and took his seat.

MESSAGE FROM HIS EXCELLENCY THE
GOVERNOR-GENERAL

Rt. Hon. J. M. G. M. ADAMS: If it pleases, Sir, I am commanded to lay a Message from His Excellency the Governor-General regarding the absence from Barbados of His Excellency the Governor-General during the period 8th July to 13th September, 1980, on duty and on leave and regarding the fact that Her Majesty the Queen has designated Senator the Hon. Sir Arnott Cato under provisions of Section 29(1a) of the Constitution to perform the functions of the Office of the Governor-General during the period in the absence of His Excellency Sir Deighton Ward.

Hon. L. S. CRAIG entered the Chamber and took his seat.

PAPERS LAID

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I am commanded to lay a Statement showing net Customs and Excise Receipts for the Financial Year ending the 31st March, 1980 and a Statement showing the Net Customs and Excise Receipts for the two months ended 31st May, 1980.

I am further commanded to lay, Sir, The Immigration (Student) (Amendment) Regulations, 1980.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to lay the Report of the National Insurance Board of the National Insurance Social Security Scheme for the year 1978.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of the following:—

Resolution to approve of the lease of land at Gun Hill, St. George to the Barbados National Trust.

Resolution to approve the compulsory acquisition of land at Lammings, St. Joseph, for the provision of a housing development, a Cultural Centre and a recreational area.

Resolution to approve the compulsory acquisition of land at Ellerton, St. George, for the erection of a Primary School.

Resolution to approve the compulsory acquisition of land at Retreat, St. Joseph, for the erection of a Primary School.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I beg to give notice of the following Resolution:—

Resolution to approve the establishment of a Select Committee of Parliament to review the distribution of voters in Barbados and to recommend the adjustments of the electoral boundaries that may have become necessary.

NOTICES OF QUESTIONS

Mr. SPEAKER: The hon. member for St. Michael South his Question respecting the development of an open area at St. Paul's Avenue.

Mr. SANDIFORD: Mr. Speaker, to ask the appropriate Minister:

Will the Minister consider developing the open area of land adjacent to the Joan Arundell Day Nursery on St. Paul's Avenue, Bayville, St. Michael, as a mini-park or play-lot for the recreational use of the residents of the area?

Mr. SPEAKER: The same hon. member, his question respecting the expansion of services at the Bayville Health Clinic.

Mr. SANDIFORD: Mr. Speaker, to ask the Minister of Health and National Insurance —

Will the Minister consider an expansion in the services provided by the Bayville Health Clinic on Beckles Road, St. Michael, in order to bring improved health care to the residents of that area and beyond?

ORAL REPLIES TO QUESTIONS

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to give notice that Reply to Parliamentary Question No. 41 asked by the hon. member for St. Lucy is ready.
12.25 p.m.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to give notice that the reply to Parliamentary Question No. 43, asked by the Hon. Member for St. Michael South Central is ready.

Hon. L. R. TULL: Mr. Speaker, I beg to give notice that the replies to Parliamentary Questions No. 47, 48 and 49, asked by the Hon. Member for St. Michael South are now ready.

SUSPENSION OF STANDING ORDERS

Hon. H. B. ST. JOHN: Mr. Speaker, Sir, I beg to move that Standing Orders 6, 16, 18, 20 and 42(5) be suspended for the remainder of the day.

Hon. L. S. CRAIG: I beg to second that.

The question that Standing Orders 6, 16, 18, 20 and 42(5) be suspended for the remainder of the day was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is the instant Order of the day.

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Order No. 5 be the instant Order of the Day.

Hon. L. S. CRAIG: I beg to second that.

Order No. 5 was called — To move the Second Reading of a Bill to amend the Off-shore Banking Act.

Rt. Hon. J. M. G. M. ADAMS: If it pleases you Sir, the subject of Off-shore Banking has been very fully canvassed in and out of the Hon. House and I do not propose to take a long time introducing these small Amendments.

As a result of representations made, the Government decided to permit certain foreign banks to become licensees under the Off-shore Banking system and to carry out Off-shore Banking business within Barbados without the formality presently contained in the Act of having to form a local company first. The reason for this Sir, is that there are certain capital requirements in the Act, which can very easily be met by, not just large, but indeed, by a very substantial number of foreign banks, including all those which at present operate onshore in

Barbados and which might wish to carry out Off-shore Banking business.

In some of these cases, we are dealing with banks which reckon the business, not in hundreds of thousands of dollars, or millions of dollars, but in billions of dollars, and it would be a matter of great inconvenience, from a number of points of view, some of which I will indicate, if these banks which have capital of seven, or eight hundred million or billion dollars and many billions of dollars operating in Europe, North America and Japan; if they were required to capitalize heavily down here, in order not to make their Balance Sheets appear flimsy when they make these large loans.

We do not have specific requirements, assets related to loans in Barbados, so far as Off-shore Banking businesses, in the same way that we have for on-shore businesses, but nevertheless, it would be very difficult indeed for a bank carrying, say Barclays Bank, to have capital of five million dollars in Barbados and find itself lending out five hundred million dollars or five billion dollars to some Government overseas. This would apply here especially to the American banks. There are also various tax reasons why it is not always desirable for banks which are using an Off-shore Banking Centre as an Off-shore centre, and not necessarily as a Tax Haven, why they would wish to use their Head Office strength, rather than put capital in an Off-shore Centre.

We have listened carefully to representations which were made and we have decided that, within strict limits, foreign banks will be allowed to branch, as the expression goes, in respect of Off-shore Business.

There is very little that I can add to what I have said, except to indicate that the Central Bank will, of course, take every precaution in advising the Hon. Minister of Finance, as to whether foreign based banks should be granted an Off-shore Licence, through a branch. Primarily, we will make enquiries, firstly, from the Central Bank, of the country in which the Foreign Bank's Head Office is located. There are one or two banks which are themselves international in character, which are thoroughly reputable and which indeed exist for the purpose of carrying on Off-shore Business. Their numbers are so few and their reputations so well known, that we do not anticipate that the fact, that although the Central Bank would be able to give a Certificate of Character from its own regulatory knowledge, yet, we do think that we can deal with them as they arise and we think that the use of the Central Bank, as the primary reference will be of the greatest possible assistance.

Various Off-shore Centres, notably the Bahamas on a large scale, Hong Kong and Singapore on a smaller scale, already have established criteria of reputability for banks. There is an association in the Bahamas, a self-policing

association, which excludes the fly by night banking business from membership. That is an Association of Foreign Banks operating in the Bahamas, I have forgotten the precise title. I dare say that the Hon. Member for St. Michael South Central, with his experience of business in the Bahamas will remember it, if he has not researched it thoroughly because I am looking to him for some assistance today, Sir, in support of this Bill. But, it is associations such as these, which can also give additional information to the Central Bank.

On the whole Sir, when you realise that the banks which you are talking about, are banks like, the First National City Bank of New York, the Royal Bank of Canada, The Canadian Imperial Bank of Commerce and others, which have operated in Barbados for some time, I think that Hon. Members will understand that we are not talking about putting a loophole into the Act to evade capital requirements, which already exist.
12.35 p.m.

We are not making strict regulation because, Sir, it is not possible by regulation always to deal with every situation that will arise. You can very easily say you are only going to deal with a bank that has capital of \$100 million, but you then may find that it is not every bank that organises itself that way, although it is a perfectly reputable bank overseas, and there are numerous examples of where banks get together and set up a branch in an off-shore centre, like the Orion Bank in London which is totally reputable, owned by totally reputable banks, but may very well not have such a capital as would compare to its parent banks. That exists for off-shore purposes already in a very well know off-shore financial centre.

The Act is also being amended for a very specialised reason. It does appear that the foreign accounts which are now allowed to a number of Barbadians to be opened at local commercial banks — this is primarily a business management facility, Sir, but I dare say there are individuals who for one reason or another connected with their business or profession, have these facilities. It has been discovered that these accounts will require the bank to license itself to carry on off-shore business and this may not be convenient in every case. We are therefore allowing these accounts which already are carried on under the supervision of the Exchange Control Authority to continue so to be carried on. This is relatively minor, Sir, and does not make any change in the situation that existed before. We do not intend to allow the existence of these provisions to turn local banks into off-shore banks by the use of this device.

I do not intend to say anything at length about the off-shore banking business generally, Sir, but I would respond very shortly to one or two remarks which I have seen in the press ascribed to persons whom I have never thought would have known better, so perhaps they should

not surprise me. Nonetheless the fact that it appeared in the press might make it desirable to advert to them. The off-shore banking centre such as we envisage in Barbados is not meant to be a refuge for anything called dirty money for the Mafia, for professional men seeking to hide their earnings from the tax collectors in their own country or in Barbados; they are meant to provide facilities for banks and for Trust Companies.

The greatest off-shore centre in the world is London, and I have never yet heard it suggested by any politician that British politics are somehow contaminated by the existence of the City of London as a financial centre. It seems that it is only when black people want to set up an off-shore banking centre that other black people in competition with them in politics will suggest that they are doing it for subterranean motives, if you want me to talk in the language now being made so popular by such persons as the hon. member for St. Michael North Central. The hon. member for St. Michael North Central and other persons who commented in the press will not say that the British are a pack of racketeers because they have an off-shore financial centre in London. They will find other criticisms of the British, but not that; but when down here we seek to make it possible for banks to operate as they operate perfectly reputably in Hong Kong or Singapore or Liechtenstein or indeed in Luxembourg, we get these accusations. I am glad that a commentator in the press has found the remarks made upon the occasion of International Caribbean Airways as it then was when the hon. member for St. Michael South Central was involved in the directorate on an off-shore basis.....

Dr. HAYNES: Mr. Speaker, on a point of order, I think the hon. member is mistaken. I was never a director of Caribbean Airways. You are talking about the present airline that operates out of Barbados, is that correct? I was never a director.

Rt. Hon. J. M. G. M. ADAMS: I specifically used the words "International Caribbean Airways". The hon. member was a director of an off-shore holding company in the Bahamas that held a share in International Caribbean Airways. Have I got it right, Mr. Speaker? He denies things that are true. Is he going to deny this one as well? There is no reflection on the hon. member, absolutely no reflection on him, not the slightest reflection on the hon. member. If he was a director of an off-shore company in the Bahamas, he was; but anyhow at the time very kind words were said about flying to Luxembourg, one of them being that Luxembourg was an important off-shore financial centre and the attention of the public has been drawn to this in a recent article that I have seen in one of the media which I really cannot remember at the moment. But, Sir, when you want to beat a dog, any stick will do, and when it is wanted to characterise the Government in particular terms, you seek to characterise it in those terms irrespective of the truth-

fulness or the defensibility of the opinions which you put forward.

Off-shore banking, Sir, is we feel a natural concomitant to the creation of an adequate financial climate in Barbados for the advancement of all Barbadians. The Attorney General and I spent a couple of days in Hong Kong recently and we were able to make ourselves familiar, with the hon. member for St. Andrew also, with some aspects of the business climate in Hong Kong, but we could not say that off-shore banking in which even the Peoples Republic of China participates in Hong Kong has created any erosion of the standards of public life in that Island. The same is true of Singapore, and whatever you say or whatever has been said about the Bahamas, I do not believe that it is the off-shore banking aspect of the Bahamas that has occasioned some criticism both in political life in the Bahamas and in the various areas in the United States and in West China.

We do not feel defensive about this matter; we only think that it is a pity that people cannot be more responsible in what they say about various aspects of it. We have to learn to get slogans out of our mentality. We have to learn that when you see the words "off-shore banking" do not automatically put to it a certain reaction. I was even asked by one of the Finance Ministers of a friendly CARICOM country to see if we could find a different form of words.....

Mr. SPEAKER: There is much too much noise on the Government benches.

Rt. Hon. J. M. G. M. ADAMS: ...some such expression to explain what it is we are setting up in Barbados because certain phrases carry a certain emotive quality that erodes commonsense before it excites the analytic faculty of the brain.
12.45 p.m.

I am sure the hon. member for St. Michael South Central will say a great deal of how the benefits of off-shore banking are over estimated, and while it is not a bad thing in itself he thinks that too much hope should not be placed on it, but these are matters of legitimate opinion, legitimate views held on a reasonable basis, but some of the criticism which you see is not only wrong but entirely mistaken, and I have no doubt that in a few years, Sir, when we see the employment of the activity that goes on through this initiative taken by the Government that the criticism will be utterly and entirely stilled.

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

Mr. SIMMONS: I beg to second that.

Dr. HAYNES: Mr. Speaker, if I may do so, I would like to welcome back again the hon. member for

St. Thomas after a second prolonged vacation at the taxpayers' expense. He appears rested, but at the same time.....

Mr. SPEAKER: Kindly address the Chair on off-shore banking.

Dr. HAYNES: I am getting on to it.

Mr. SPEAKER: Well get on to it immediately.

Dr. HAYNES: Immediately, Sir. The hon. member has indicated that I was a director of some off-shore company. Now to the best of my recollection, and I would like to get this matter clarified, some time in the late 1960s I think a Norwegian group in association with SAS — I cannot remember the exact relationship — intended to set up an airline in Barbados and because of my association with aviation medicine and my particular interest in that particular area, I was approached I think along with Dr. David Payne and another local person, because I believe that it was necessary to have a given number of local directors in order to legalise the company in Barbados. To the best of my knowledge and my recollection the company of which I was a director and in which I had no shareholding and no money at all was a Barbados company. Whether there were any further strings back in other sectors that I would not know about, but to the best of my knowledge and belief, and as far as I can remember, the main reason for asking some Barbadians to become shareholders was because a certain number of the directors had to be directors without being shareholders, except I presume you had to be issued one share in order to become a director or whatever it might be, so I do not think that that kind of presentation by the hon. member really did justice to the situation.

However, Mr. Speaker, on the question of off-shore banking, when the substantive Act was presented to this Hon. House, it was held as a model piece of legislation, a piece of legislation which would ensure that Barbadians got all the benefits from off-shore banking and none of the disadvantages, and yet even before the establishment of the off-shore centre we have had amendments which were subsequently withdrawn and now we have another series of amendments. I believe that the Hon. Minister of Finance during his trip has learnt his very first lesson about off-shore banking, that there is an intrinsic element of off-shore banking which involves a diminution of sovereignty. That diminution of sovereignty may represent itself in the inability to exercise the same control over the movement of money through the country, whether it be by the Central Bank or whether it be any other exchange control authority, and also we see here in this exercise now a further manifestation of that diminution of sovereignty where he has been told the kind of environment which institutions would require in Barbados, and therefore these amendments are to meet those demands.

However, I believe I have a duty to present through you, Sir, to this Hon. House a balanced picture on the question of off-shore banking in this fair country of ours. I believe that in any development of any kind there are advantages and disadvantages, and it is this cost benefit equation which it is necessary for us to properly assess if we are to make the kind of contribution to public knowledge and public reaction to adventures of this nature. No development, Mr. Speaker, takes place without some unfortunate consequences. These will be measured from time to time in physical terms, environmental terms, may be measured in monetary terms, may be measured in moral terms and the effect on the ethical structure of the society in which we live.

Therefore a responsible Opposition in relation to these amendments would demand of this side that we examine this matter in the kind of cost benefit structure which I have sought to set out. Now there are certain conditions in which an off-shore banking environment can have some advantages with minimal disadvantages. The reverse is also true, that there can be situations where you can have advantages with major disadvantages. At this particular juncture in time it is my suspicion that we are likely to have greater disadvantages than advantages, and I think it is only reasonable that I should present the case for the Opposition in relation to this matter in that light. The criteria which will determine the maximising of advantages would be that the off-shore banking site should be totally isolated from the domestic economy, totally and completely isolated from the domestic economy. This is so for a variety of reasons. Firstly it is important to recognise that off-shore money is hot money in two ways. It is not in the legitimate sense that it is subject to movement from time to time finding sanctuary where the best interest rates can be gained at a given time. It is hot in terms of its movement. There is also another context, Mr. Speaker, in which it is hot money, that is, money to be laundered and money to be used for legitimate purposes. This is a fact of life that we have to face, it is hot in two senses.

12.55 p.m.

Now in respect of the first sense that it is subject to sudden movements, it is quite easy to recognise how easily this can disturb the domestic financial environment if there is too much leakage into the domestic economy.

Now the hon. member for St. Thomas when the substantive Act was being debated in this Honourable House got up and clarified a point, namely, that there would be no leakages of this money into the domestic economy and I was very surprised, indeed somewhat shocked, Mr. Speaker, when in a BBC interview in London he indicated that one of the advantages would be the possibility that this money being here in Barbados might find outlets for investment in Barbados. I think that that

is a danger which needs to be looked at very carefully. I have a copy of the interview, not here, of course, Sir.

The next problem, Mr. Speaker, it is necessary to derive any significant benefits that you have to go into this business in a large way and this I will bring out more and more as I go along. You really have to gear yourself to a large volume of business otherwise it would have a negligible effect in terms of the economy of this country or any other country.

Another very important thing is that it is necessary if you are going to have the full advantages of Off-shore Banking and minimise the disadvantages by maintaining the best possible control, however limited over the activities of Off-shore Banks that you should aim to have functional Banks within the society and by that I mean Banks that have a physical structure within the society for the purpose of carrying on off-shore business.

Now these amendments, Mr. Speaker, do reduce significantly the contribution which would be made from functional Banks within the society because they make provisions for the carrying on Off-shore Banking through branches of existing Banks and indeed, Mr. Speaker, borders very much on perhaps what one might term cubicle Banks. My sympathy with the Government if they have committed themselves to this policy of establishing an Off-shore Centre because there would be no way in which they would get it off the ground under the existing Act because, as the hon. member for St. Thomas pointed out, that the capital requirements might create problems in respect of large Institutions and might not be absolutely necessary but where the problem will arise is that whereas, in the Act itself a given capitalisation was required, you will now be required to depend on an assessment of an External Agency such as the Controller of Currency in the United States, for example, in respect of United States Banks in order to give you an assessment as to whether the capital structure of a given Bank is sound enough in order to meet an acceptance of the authorities here in Barbados.

Now, I have heard a whole lot said about the benefits of Off-shore Banking in respect of employment and so on and those statements were made on bad statistical data and one of the very worst documents that I have come across on this subject is this document here, "Tax Havens and Financial Centres - Proceedings of a Conference in Bridgetown, Barbados, on June 1 and 2, 1977" under the auspices of the Central Bank of Barbados.

Indeed, Mr. Speaker, the only significant contribution in that entire exercise which was highly bias because if they have looked very carefully at the contribution made by Mr. Frank Davis, which I think was a very useful contribution, he indeed pointed out at one stage that this

very kind of amendment would be necessary in order to get Off-shore Banking off the ground and therefore you face the consequences of it.

He said, if I may quote, Mr. Speaker, (*Asides*). I will make it a document of the House. I will be very happy to do so. "In the development of a Financial community geared towards a tax haven, there will be established branches or subsidiaries of International Banks. Some of these will be termed cubicle Banks, suitcase Banks or fully established Banks" and then he goes on to make the distinction between them, but, however, there is a blurring of that area where the cubicle Bank probably represents the most responsible element, the most firm-footed element of Off-shore Banking under the circumstances which these amendments would provide, shading right down to suitcase Banks. But certainly by these amendments, Mr. Speaker, it is my considered judgement, that the Government, whereas they found it necessary to do this to get the Off-shore business going in Barbados off the ground, they have weakened the integrity of their own stand in relation to their initial legislation and they have opened themselves very clearly to this kind of situation.

Secondly, Mr. Speaker, good statistical data exist which shows that it is not employment, not employment. I believe this point has already been made that most of the statistics that you get in terms of numbers of people employed in Off-shore Centres, they do not distinguish between those actually employed in Off-shore Banking and those employed in a whole lot of other related activities such as Captive Insurance Companies and indeed the general Banking system within the society so that the main overall advantage that is derived is usually from the expenditure, the contribution of expenditures within the society by those employed in the Off-shore Industry.

Indeed, I believe that in the Bahamas it is somewhere in the region of some 6.2% of the GNP but there is a catch. There is a catch that although in the figures it might appear that there is a 6.2% of the GNP, when you look at that most carefully and you look at the pattern of expenditures by those people who are employed in Off-shore and related sectors, I must say this for the Bahamas that you will find that 90% of that 6.2% contribution of the GNP actually goes on imports,.....
1.05 p.m.

so that you have to think in terms of your net contribution and not only your gross contribution. So that, I think it is important that you bear these things in mind.

It is also believed that Barbados would reap a harvest from license fees, from work permits, from liquidity and capital requirements; that was a suggestion earlier on, but quite clearly, under the present arrangement with these amendments, there will be a drastic reduction in the

liquidity and capital requirements, as far as the localisation of the corporate structure is concerned. You will be largely dependent on licence fees and immigration fees.

Now, Mr. Speaker, here you are going to run into another problem. You are likely to find that your immigration policy is likely to be compromised and seriously compromised to meet the needs of an expanding Offshore Centre and I say this for this reason. Much is said about Singapore, but after some 12, 13 years, as an Offshore Centre, I gather that there are four or five people in top positions, Singaporians. What do you call them? Citizens of Singapore, in top positions, despite the very florid Offshore and related business existing there. My understanding is that four of those persons are actually, basically United States Citizens, they can change Citizenship, although they are born in Singapore, and they are major shareholders in the Institutions in which they work. There is only one person who can be said to have come up through the ranks and be able to command that kind of position at the top. Therefore you might find that this might run very contrary to the kind of immigration policy that you might apply to the hotel sector, or you might apply in the industrial sector. You might find that there will be a tremendous need for a relaxation of your immigration policy, in order to accommodate employees in this area.

Indeed, Mr. Speaker, I think that it is a wrong concept to believe that one would derive any large amounts of money, either from licence fees, or, from taxes. I think that Singapore has a 10% Corporation tax and this 10% actual corporation tax is on the businesses of Offshore Companies, but the amount of profit made by an Offshore Company, in the country in which it is domicile, is usually minimal and even if they declared their books honestly, then, the tax yield from Corporation tax would be considerably less. I believe that Panama has even jacked up this considerably higher recently, I think 40% or something like that because they figure that they are not getting anything, so why should they be accommodating people to try and get as much as they could get out of this, from the point of view of Corporation Tax.

The average yield Mr. Speaker, from Licences around the world, would seem to be in the region of about \$1.5 million US in the various countries and not more than that, so I do not think that you will see a large amount of money flowing into the Treasury, emanating from licence fees, or, from Corporation taxes. So, from that point of view, in terms of the contribution to Government Revenue, I do not think that you are in for any big thing.

The Hon. Member for St. Thomas has clearly backed a mile from this question of employment and I think that he has done so quite readily because it is in-

teresting. He might be interested to know that whilst he was in Canada and the United States talking about these great employment gains, there was a little interview with the Governor of the Central Bank and a Mr. Irvine Lusky of the Toronto Star, in which the Governor of the Central Bank made the correct — and I must applaud him for taking the position of an Economist and a Banker — he made the correct statement that while the hope is that jobs will be generated by the banks, that he does not expect the banking industry to become a major source of jobs. That was a reasonable statement so I believe that the Hon. Minister of Finance has been incorrectly advised by the Central Bank and has got away from pushing this question of employment because he knows, as well as anybody else, the particular area and the quantum of employment that would be generated, even if you had a full-scale operation here in Barbados.

The question, Sir, of access, easier access of the host country to Capital Markets. My view is that the Hon. Minister of Finance has borrowed so much money since he has become Rt. Hon. Prime Minister of this country, that the farther away he keeps from any access to Capital Markets, the better off for this country. (*ASIDES*) Mr. Speaker, I am being interrupted, I am being heckled. (*ASIDES*).

Mr. SPEAKER: I am not aware of this. Any Hon. Member who is following his notes so....

Dr. HAYNES: Mr. Speaker, my notes are here for the examination of the Hon. House. I insist that when I am dealing with matters of this kind, in which precision is required, as Hon. Members appreciate, that you should have your thoughts properly organised. Anyhow, I do not think that Barbados would gain anything in particular by having an Offshore Banking Centre in respect of access to Capital Markets.

Finally, Mr. Speaker, it has been suggested that a possible advantage is the exposure of local professionals to a more sophisticated form of banking but, the experience of small countries has been quite the reverse, that what is generated here, is that there are many professionals who, because they get better pay, they are much better paid by these Offshore Centres, they tend to move away from the normal course of banking into the Offshore Banking segment and I think this is referred to as an internal brain drain, within the banking community.

Additionally, Mr. Speaker, it creates problems in respect of competition for services by professionals. Heavens knows how difficult it is to get certain types of legal work done in Barbados. It is difficult, even to get accounting work done, particularly during the first months of the year, extremely difficult, and Barbadians will find themselves competing unfavourably for these services, unless there is a tremendous expansion of

personnel, in response to the increased demand which will be created.

1.15 p.m.

These things, Mr. Speaker, are genuine problems which we must face. I have tried to put the marginal advantages as I see them in as responsible a manner and I will try to analyse these marginal advantages. I do not think I need to dwell on the question of employment, and I pointed out that of the 8 per cent supposedly employed in offshore banking in the Bahamas, only about 0.3 per cent of that 8 per cent are in what is strictly offshore banking and the others in banking in general and in other areas. Additionally I have seen a lot of misrepresentation in the Press in relation to Singapore, and I think that that misrepresentation stems from a presentation in this same document which I have made a document of the House. There again there was no attempt to do any breakdown between offshore banking, other international business companies, insurance companies captive or otherwise and so on. They just lobbed the whole lot together and the breakdown would work out to about the same; and I will tell you that the captive insurance companies are a very high generator of employment within tax havens, much higher than the banks themselves. But there is a little snag here. I believe that either earlier this year or last year the Internal Revenue of the United States made a ruling where it would no longer be possible for a large company to set up an insurance company in a tax free area, unless it is associated with other companies and each of them has a minority shareholding, so that it is becoming more and more difficult for captive insurance companies to flourish within a tax haven environment.

The other problem relating to Singapore is completely different. Singapore came into the business where the demand was at its peak. We are coming in now where authoritative sources indicate there might be a falling off of demand. Its geographical position is different, its access to the large markets such as Malaysia, Japan, etc., even its longitudinal position in respect of time relationships with other capitals of the world makes it a completely different proposition as it is generally known that this is one of the major attractions. There was also the emotive factor where when Singapore came into this business, they came into this business at a time of an expanding Euro Dollar market and indeed almost on a political basis. Part of the thrust that Singapore had was the development of an Asian dollar market in competition with the Euro Dollar Market ably assisted by the Bank of America. These are facts which I think it is most important we should know, that people just did not get up and go to Singapore, that people just do not move from one place to another place unless there is some specific inducement or some conjunction of factors that would lead to the creation or the rapid creation of an offshore environment.

Now, Mr. Speaker, these are advantages that can be real but clearly even those advantages have to be qualified to a large extent, and I think that reason should inform us that even when we look at the possible advantages, that even these advantages need an element of qualification. Now Mr. Speaker, there are disadvantages, and initially I referred to possible management moral and otherwise. The outstanding one, Mr. Speaker, is, and I quote again from Frank Davis since no one takes anybody too seriously on this side. This is one of the big problems, you see, that people very often have a tremendous disrespect for the side on which all the brain is lying. This is what Frank Davis had to say:

"By the establishment of a tax haven, you are likely to see friendly nations suddenly becoming unfriendly; your country will be labelled as a haven for tax dodgers, mafia-money and from time to time your country, as others in the past have been, will be singled out by various external agencies or authorities, as a haven or den for all sorts of illicit operations; indeed, foreign aid may be reduced or completely withdrawn as a measure of retaliation."

Mr. SPEAKER: Kindly tell us the page at which you were quoting for the benefit of the reporter.

Dr. HAYNES: It is page 72. Whether you like it or not, we have to recognise that the image of the country is important, and indeed I do not think the Prime Minister of this country, even the Rt. Hon. member for St. Thomas, Q.C., should be running around the world promoting offshore banking. Would he start running around the world tomorrow promoting casinos? There is a fixed connotation in people's minds and undoubtedly you cannot damage the image of your country. Those words were not my words; those were the words of an expert. The hon. member for St. Thomas knows only too well that in politics truth does not matter, facts do not matter, but impressions matter, and that is his success. He knows that only too well.

Mr. SPEAKER: Do I hear the hon. member correctly, that in politics truth does not matter?

Dr. HAYNES: I said the hon. member for St. Thomas knows that and operates on that basis. Impressions are most important. I said the hon. member knows that only too well.

Rt. Hon. J. M. G. M. ADAMS: The hon. member evidently by his statement was inviting me to agree with his thesis that facts do not matter. I would just like it to be known that I do not agree with him that truth is unimportant and that facts do not matter in politics. That is his ethical code, not mine.

Dr. HAYNES: Mr. Speaker, as I have said, the hon. member knows that impressions are important, and he knows that only too well and operates on that basis, and that is part of his success. I spotted that and after careful analysis I have noted the operation.

Mr. SPEAKER: You said that is part of his success! Is that what I understood you to say?

Dr. HAYNES: The impressions.

Mr. SPEAKER: Are part of his success.

Dr. HAYNES: Yes, Sir. The impressions. Now, Mr. Speaker, I think it is important for us to be clearly aware that there is no point trying to fool ourselves or fool the public at large. I initially said that you are dealing with hot money.

Mr. SPEAKER: I do not wish the hon. member to repeat himself.

Dr. HAYNES: No, Sir, I am dealing with the disadvantages. I was very careful to characterise the hot money as having two connotations, and indeed there is no way that the Government of Barbados will be able to stop the flow of illegitimate hot money through an off-shore centre because you cannot identify the source. How are you going to stop it? You have to face that that is one of the realities. There will be Mafia-money, there will be money for the purpose of laundering.
1.25 p.m.

As a matter of fact, only last night there was a report emanating out of the Bahamas that the CIA was investing in off-shore banking in the Bahamas and using that facility to destabilise Cuba, I think, and probably some of the other Caribbean Islands as well. How are you going to identify the source of the money? You would not even know and you would have to face that, and you have to get up and tell the public of Barbados that this is a risk you just cannot say that it cannot happen, it is a real and genuine risk, and with the advent of Mafia money, the Mafia will follow their money wherever it goes.

I have already adverted to a distinct possibility of the possible need for a relaxation of the immigration policies *vis a vis* other areas of the economy. It will not surprise me if you do not find an accelerated rate of Mafia entry into this country. I would like an assurance from the Hon. Minister of Finance that he will take seriously the greatest economic risk of all, contamination or leakages into the domestic economy of such monies. I am looking at the disadvantages because of that interview and that statement which he made in London — he gave one assurance here and he made quite a contrary statement in the United Kingdom.

Sir, then there is the question of secrecy. Secrecy is a necessary ingredient of all off-shore banking, not all banking, all off-shore banking. There is an element of secrecy involved and indeed that makes it even more difficult for the Government to intervene even if they suspect that hot illegitimate money is coming into the country because if they do not set up their inspectorate in such a way as would be acceptable to the external depositors they will not deposit in any off-shore company unless they can be guaranteed secrecy. The cost of regulation of an off-shore centre, particularly in the early stages, can be exceedingly high. We fortunately in a sense have a Central Bank here that is functioning as was set up by that great political organisation, the Democratic Labour Party, and we do not perhaps have the same developmental cost of the regulatory authority as other small countries would have, but nevertheless if in the end it is policed effectively it will be necessary to incur costs which might even outweigh the small amount you are getting from licence fees and all of that.

Then of course there is the cost of promotion. To set up an off-shore centre, as the hon. member for St. Thomas has already realised, the cost of promotion is high, even calling on a Prime Minister to leave his desk and float around the world, God knows at what expense. Not only the initial cost, but it has to be a continuous promotional effort and you might find that your earnings from immigration licences or immigration permits and so on could well be wiped out by your promotional cost if you are really to go into this thing in a big way.

Mr. Speaker, there is another important disadvantage here. In countries like Barbados where there will be a two tier tax system in that Barbadians will be taxed at one level, those who pay income tax, whereas those off-shore centres will be paying tax at a much lower level. I have already mentioned to the Hon. Minister of Finance a situation that exists already in the Caribbean which could adversely affect Barbados in some way, however that is outside the jurisdiction of Barbados. But certainly, Mr. Speaker, this is a very difficult matter to control particularly when they bring in amendments of this kind which allow a physical relationship between existing banks and the off-shore operating sector of their bank, whether it be a wall, a corner in the office, a suitcase or what, it is a question of leakages of foreign exchange by locals where they are going to use these facilities illegally to facilitate it in that illegal exercise. I am sure that everyone is familiar with the provision, the mechanism of dummy loans. I believe the hon. member for Christ Church South Central can give us a lecture on that particular area. By dummy loans, Mr. Speaker, I mean where money is deposited in the off-shore centre which is loaned out at a fairly high rate of interest but is tax free, the earnings are tax free, but the same bank in which the branch operates will then give a domestic loan

say to a company or to an individual knowing that the security lies in what has been invested overseas, so that the person will get the tax free benefits of their investments overseas and also get the tax deductible benefits of the loans made here in Barbados. Now that spread is very considerable.

I think the hon. member for St. Thomas referred to Hong Kong. Hong Kong is one of the areas where this has been a major problem and appears to be an insoluble problem in that particular country, and I need not stress particularly in times like these where our balance of visible trade widens from year to year — over \$300 million increase in four years or something like that — where the results of the Democratic Labour Party's effort in tourism is now coming to an end, that three or four year period of expansion that you would get in tourism would be due to the work of the Democratic Labour Party, and by next year or late this year we shall see the quality of the work of the present administration in respect of tourism, and the kind of reports that I see I would suspect to mean that we cannot afford any leakages, but the risks are certainly there.

Mr. SPEAKER: If I should ask the hon. member to make his notes a document of the House.....

Dr. HAYNES: Sure, Sir. To break into the market, Mr. Speaker, your fees have got to be low. You are in a competitive situation now, you are not controlling anything, so your incomes will be low for that reason alone and your regulatory controls have generally speaking to be at least as free as the most respective centres, and indeed apart from the area of telecommunications in which we are particularly advanced it is very difficult to see any other major advantages that Barbados will have over the other areas who are fighting to get into this particular area.

Now, Mr. Speaker, I think these amendments are unfortunate because they slant the direction of the development of the off-shore banking exercise away from that area which would be most beneficial, that is the area of functional banks with a separate physical presence within the country. However one has to balance this against another major problem in that wherever off-shore banking has been developed to any significant extent it has an inflationary effect on the society.

1.35 p.m.

This often emanates from the higher salaries offered in society, particularly in small countries where there is limited accommodation and you get competition in terms of rents and other areas and it tends to contribute to an inflationary situation and I think that anything we do now to contribute to this massive inflationary problem that we have in Barbados would hardly be very helpful.

The hyper-inflationary problem that we have in Barbados would hardly be helpful.

Now, I am by no means as optimistic as the Hon. Minister of Finance that we will see a booming Off-shore Centre in Barbados without its disadvantages. I think that we are going to be bringing again into Barbados the disadvantages associated with Off-Shore Banking. I think that the benefits are not going to match the disadvantages. (*Asides*). I am presenting a balanced picture which I think is very necessary. When you get up you can say what you like. I am just saying what.....

Mr. SPEAKER: Is the hon. member addressing the Chair?

Dr. HAYNES: Not at that moment, Sir, but I will continue to address the Chair.

Mr. SPEAKER: If you are not addressing the Chair, take your seat. I do not want to do this.

Dr. HAYNES: I appreciate that.

Mr. SPEAKER: You stand on your feet and admit that you are not addressing the Chair.

Dr. HAYNES: I will continue, Sir. You did ask me and I answered you honestly.

Now, Mr. Speaker, there is one other area which I think we need to watch carefully and that is the question of infiltration in this society by undesired personnel in relation to Off-shore Banking who might not necessarily even be part of the Mafia exercise but nonetheless are as undesirable as the Mafia.

Now as far as demand, and this is the crux of the matter, as to whether or not this area will be successful, I would like, Sir, to quote very briefly from a very authoritative document, "Off-Shore Banking Centres Benefit and Cost", December, 1979, Volume 16, No. 4, Finance and Development, Published by the International Monetary Fund and World Bank and this is what they had to say. This is just December, 1979. This is the World Bank on which this Government places so much reliance.

"Whilst the cost benefit equation appears favourable for existing Centres, it seems possible, indeed probable, that there is little unsatisfied demand for new Off-shore Centres. There are even some signs at present of an excess supply. If one looks at the existing geographical coverage provided by Off-shore Centres virtually every area of the World has a selection of Off-shore Centres readily accessible.

In addition, improved telecommunications render it easier than before to route paper business through a limited number of Centres rather than setting up operations in several widely dispersed centres."

I do not need to go on any more and finally, a word of caution, "Even existing Centres might become less important and less profitable if moves to impose controls on the Euro-currency markets are successful." Mr. Speaker, you hear that? "If moves to impose controls on the Euro-currency markets are successful and if New York establishes an International Banking Zone".

I spoke earlier of demand. I spoke earlier of the fallacy of comparisons with Singapore. I spoke of probable advantages. I spoke, Mr. Speaker, of significant disadvantages. It is only left for me now to say and I have just a few more comments that the Government of the day has to make up its mind. It does not seem that the effect which the legalising of one-armed bandits has had on this society has been taken seriously and now to add to it, Off-shore Banking.

Whither we go morally, that is a matter for the Government of the day. It cannot alter my intrinsic position because I take a position in political life based on a moral stand, an attitude of morality. That is my position. When one considers, Mr. Speaker, the uses and the users of Off-shore Banks, we have to face the fact that people who use Off-shore Banking facilities that they are doing this either to minimise their tax liabilities in their own countries or to postpone(Asides). There is nothing wrong with that — either to minimise or to postpone such tax liabilities.

We also know, Mr. Speaker, that a major element is the question of avoidance, illegitimate avoidance of taxes. It is a fact that it is the nature of Off-shore Banking. This is part of the mix and it is important to realise this. People use Off-shore Centres and the hon. member for Christ Church West would know this only too well. He would know. He has done a lot of divorces in Barbados and he knows how convenient Off-shore Centres can be in a contemplated divorce, etc., etc. He would know that better than me. He is a Lawyer but the point is this that people who are seeking divorces who do not wish their full commitments they can siphon off funds in an Off-shore Centre. That is what they usually do.

The question of laundering of money is a fact that you have to face. In other words, Mr. Speaker, what I am saying is that at the best of times you will get a mixture of legitimate money and a mixture of illegitimate money and it is impossible for the Centres themselves to distinguish it particularly when a Centre is only acting as a conduit for money coming in and money going out. It is virtually impossible so let us face the hard reality that there are very marginal advantages much of which I have

taken the trouble to go through because let it not be said that this side did not take a reasoned position on this matter.
1.45 p.m.

We went through each of the advantages, we have pointed out the very serious disadvantages and on balance, I must say, that taking the question of demand, advantages, disadvantages, the whole lot into consideration, I am not enthusiastic about this development in Barbados because the ills, in my view, far outweigh the marginal benefits. I think it is our duty to look at all these areas and it is for you all to take the decision, you took the decision in relation to the one-armed bandits. Mr. Speaker, it would be that Side, Sir.

Mr. SPEAKER: The Chair is nothing to do with the one-armed bandits.

Dr. HAYNES: I know, Sir. I am just comparing the two.

Mr. SPEAKER: I never rented a one-armed bandit.

Dr. HAYNES: It is most important that these two facets of this exercise — I would think that I can perceive, or I can foresee more disadvantages for this country than advantages, but man is man. One cannot gaze, one cannot assume that any decisions that you take now, might go the way you expect in the future. But, it is important to be informed and to take decisions on an informed basis and most important, to pass on that kind of information to the public at large, which we seek to do, being excluded from all the media of this country, except Rediffusion, the electronic media, except Rediffusion; we seek to inform the public at our public meetings from Sunday night to Sunday night.

Thank you, Mr. Speaker.

Hon. H. deB. FORDE: Mr. Speaker, I was very interested in the position taken by the Hon. Member for St. Michael South Central and I had hoped that when he had sat down, he would have found that he had lived up to his profession of moral principle and would not have said whether morally or not, he had accepted Off-shore Banking as a policy for Barbados. But, I think that everyone was slightly amused, aghast to find that the most that he could sum up his views on, was that he was not enthusiastic about it. The Hon. Member must not believe that the philosophy of politics which he ought to follow is one based in giving impressions, rather than one based on truth, or facts and that is why I am going to challenge the Hon. Member to get up and let the country know now, whether, if his Party is returned as the Government of the country, if they would abolish, repeal from the Statute Book of this

country, all legislation dealing with Off-shore Banking and Off-shore Business.

The Hon. Member has set forth a series of circumstances which could have been collected by anyone who had taken the opportunity to read the history of Off-shore Banking and it started a long, long time ago, centuries ago. He has set them forth and said that these are the sort of advantages and these are the sort of disadvantages which could occur from Off-shore Banking. Nobody is going to quarrel with reading a textbook and looking at these incidents, or factors, which have been outlined by several writers on this subject. Indeed, had the Hon. Member read the first speech in that book, he would have seen that I set forth these conditions myself quite clearly, at the opening of the Seminar here on Off-shore Banking and that the Government is fully cognisant and fully aware of the advantages and disadvantages which have accrued from Off-shore Banking in several sections of the world. But, there are conditions, and conditions.

I would have expected the Hon. Member to say that one of the greatest advantages which Barbados has, as a centre for Off-shore Business, and not merely Off-shore Banking is the advantage of political climate that is normally stable and I would have expected the Hon. Member to pledge his full support and his Party's support to maintaining that stability in the Caribbean and in the World for Barbados. I believe that the greatest disadvantage to this island will not come from Off-shore Banking, it will come to Off-shore Banking and to the island, if political instability is allowed to develop in the Caribbean. The Hon. Member should better know that and I would have expected his support and the support of his Party to this principle and not merely verbal support, but active and positive support of political stability in the Caribbean and in Barbados in particular at this time.

The Hon. Member sat down without referring to a tremendous advantage which Barbados has for attracting this type of business outside of its political stability and it is the standard of its Educational Plan and the additional effort which is now being made to improve the quality of the Educational Plan in the country. I hope that the Hon. Member will listen outside and not just run away because Mr. Speaker, it is important that one should underscore that these two advantages and they are more, make Barbados a highly attractive area for service industries. Indeed, Barbados lacks in several resources, but it does have some positive resources, two of which, I have pointed out and any intelligent Barbadian with the modicum of financial knowledge would want to capitalise on the resources such as we have, in order to increase the real wealth, employment and productivity opportunities in this country.

It is a fact that the former Hon. Minister of Finance has been on Record as saying that he saw Barbados developing as a banking centre and indeed, being the Switzerland of the Caribbean. I hope that that is a goal to which his Party is still dedicated because if it is dedicated to that goal it must try to improve the banking knowledge in the country and the functioning of banking in the country. It must also seek wider opportunity for banking practice and for banks to operate here in Barbados, whether they are Off-shore Banks, or banks which are operating commercially within the domestic Jurisdiction.

I said that we had the benefit of education. I believe that the Hon. Member, before he sat down, said that we would have a problem of more sophistication from our professionals and competition for the services of our professionals. But, we have no lack of people and no lack of people yearning for education and therefore, we are planning properly for our people. We would want to be able to train more accountants, we would want to be able to train more lawyers, we would want to be able to train more people with a proper knowledge of Computer Science and Technology, particularly for the 21st Century. We would want to train more people with an understanding, not only of local business, but of business as a whole. If you train them, we would want to be sure that there are avenues of employment for them and Off-shore Banking certainly offers one of these opportunities.

The Hon. Member said that it would take some time for such banking business to be built up. Obviously, if you are beginning an enterprise, a business, an industry such as this, it takes time for the industry to develop.
1.55 p.m.

The manpower needs of that industry must be one of the considerations which the Government takes into account in planning, so that the hon. member's fears of there being a professional weakness in manpower planning are not totally founded, and the Government is cognisant of the fact that if this business develops it would be necessary for the Government to increase training opportunities in the areas of banking accountancy, legal affairs, computer science and a whole range of other services including secretarial and clerical. So I do not see that the hon. member can hold this as an absolute disqualification or even a limited or relative disqualification against going into offshore banking.

I think the hon. member made a remark that there are not many areas now, that the demand is limited today and particularly if New York becomes an offshore financial centre, and you will recall that he quoted from the World Bank Report of 1979. That very Report came down in favour of offshore banking on a cost benefit analysis, which is the one the hon. member began with but he did not stick to it. It said on a cost benefit

analysis offshore banking was the type of industry which it would recommend for developing countries as a whole; and indeed before the Government began on this exercise, it took the advice of experts from the IMF and the World Bank well knowing the studies which had been carried on by those two institutions in looking at the type of service industries which developing countries could pursue in order to increase their GNP and their overall financial resources. So what am I to understand the hon. member to say? Is he not relying on the total conclusion of the study done by the World Bank, and if he is relying, he must admit that the World Bank has said that on a cost benefit analysis offshore banking is a good thing for a developing country such as Barbados.

Now another argument used by the hon. member — I am not sure to come to what conclusion — was that there will be more access or easier access to capital markets. I am not sure whether he is saying therefore that it is a bad thing to have easier access to capital markets and one should not have offshore banking, because one of the things developing countries need is easier access to capital markets. (*Asides*).

The hon. member has never understood except perhaps in his private life that one of the things countries such as Barbados must do is to increase its borrowing capacity if it cannot produce out of its own resources the total amount of money for productive development. That is very simple. Nowhere between 1940 and 1980 has Barbados been able to finance its development out of its own resources if you study the economy of this country. One is not telling the electorate the truth or the facts, whichever word you prefer to take, by pretending that this country has been able out of its own resources to pay for the capital budget of this country at any time at all. It has made a contribution some times from its surplus on current account if its finances are being properly used. The country has had on many occasions to resort to borrowing from the capital market for productive and capital development in this country, and the country will have to continue to do so regardless of which party is running the country. It will either borrow or it must do like other countries, become a satellite of somebody else where you are subsidised.

We are not in the fortunate position of other countries where our sugar production is bought way above world prices. We are not in that position. Some countries may be in that position, but Barbados is not one. Barbados' health sector, its educational sector, its social sector, its productive sector depend in the long run on Barbados being able to generate enough savings to pay for development or to borrow enough money to pay for development and be able to service those loans, and the country has to understand that. There is no way that anybody is giving Barbados anything free and easy.

Mr. Speaker, I have just returned from a meeting at the World Bank trying to raise resources for Barbados. We are not in the category of some of the other LDCs who get the money by way of grant. Even when it is given to us on concessional terms, the concessional terms are higher than the concessional terms given to the poorest countries in the world. One must remember that, and it is a fact because as a politician, unlike the hon. member I am not basing my philosophy on impressions. I am going to base them on facts. It is a fact that Barbados has one of the lowest debt service ratios in the world in relation to its GDP. I will repeat that for the benefit of the hon. member because he goes around trying to give the impression that an increase in the national debt particularly its external debt portfolio is something bad for the country. It would be bad if the money is used to pay Civil Servants or if it is used on current account in that way. When it is being used on capital account and the money is being used for productive purposes and you are producing a proper rate of return on the money borrowed, it is sensible for a country if you have the capacity to use the money; that is the point, and if you are not using the money senselessly. Therefore if you use the money in areas like the industrial sector like the last \$US10 million loan that the Government got for the industrial sector, where there is a proper rate of return, there is nothing at all wrong with that form of borrowing, and the people must be reminded that it is bad planning for people today to be saddled with the total burden of the development of the country so that our great great grandchildren will get a legacy for which they had no obligation at all to share in the debt burden. That is stupid planning. Anybody who has done a modicum of economics even for the first three months should be able to understand that. The hon. member had better start reading the books again.

2.05 p.m.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: I am sorry to interrupt the hon. member when he is obviously in his stride to score fours and sixes, but I beg to move that this sitting be now suspended.....

Mr. SPEAKER: I take it you have risen on a point of order.

Hon. H. B. St. JOHN: No Sir, the hon. member has given way and the Standing Orders have been suspended. In accordance with the customary rule that when the Standing Orders have been suspended one has to interrupt the member speaking to suspend the sitting I beg to move that this sitting be now suspended until 3 o'clock.

Hon. H. deB. FORDE: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.

2.06 p.m.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

QUESTION TIME

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Question Time be now taken.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: It is now Question Time.

QUESTION WITH RESPECT TO THE COMMON ENTRANCE EXAMINATION

Mr. SPEAKER: Question No. 49 asked by the hon. member for St. Michael South.

Mr. SANDIFORD: Mr. Speaker, to ask the Minister of Education: Will the Minister supply the following information in respect of the Common Entrance Examination to Secondary Schools: (1) What was the maximum total score possible? (2) What was the English and Mathematics Quotient respectively contributing to that maximum Total Score? (3) How many pupils obtained that maximum, and how many in this category were male and female? (4) What was the minimum score possible? (5) What was the English and Mathematics Quotient respectively contributing to that minimum score?

Hon. L. R. TULL: Mr. Speaker, there are three related questions asked by the hon. member for St. Michael South, questions No. 47, 48 and 49. In view of the large number of figures I am wondering if Your Honour would consent, with the concurrence of the Hon. House, to have the figures laid. I have enough copies to be distributed to hon. members.

Mr. SANDIFORD: I have no objection to that, Mr. Speaker.

Mr. SPEAKER: Let the replies be laid. Question No. 43 was asked by the hon. member for St. Michael South Central, whom I do not now observe in his place. Let the reply be laid.

Rt. Hon. J. M. G. M. ADAMS: The hon. member did indicate, Sir, that he did not intend any discourtesy to the House but that he would be absent for this Question and for the remainder of the debate on off-shore

banking, as he has been called away, but I do not think that is of any assistance to him with the Question.

Mr. SPEAKER: I have just been advised that the hon. member for St. Michael South Central has offered an excuse for his absence and in the light of this I think we should accept that he intends no discourtesy to this Hon. House and it is but fair that the Reply to his Question should be held over until the next sitting rather than having the Reply laid in view of the fact that he has sent and offered an excuse. It is reasonable therefore that the Question should be held over until the next sitting. However at the next sitting if he is not present the Reply will then be laid.

The hon. member for St. Lucy, his Question No. 41. The said hon. member I do not now observe in his place, so let the Reply to Question No. 41 be laid.

This brings us to the end of Question Time.

GOVERNMENT BUSINESS

Hon. H. B. St. JOHN: I beg to move that Government Business be resumed.

Mr. SPEAKER: Government Business is the instant Order of the Day. When the suspension was taken the Hon. Attorney General was addressing the Chair. He may continue if he so desires.

Hon. H. deB. FORDE: Thank you, Mr. Speaker. I am not going to be much longer since I think time is running out for me anyhow, but I was dealing with the argument of the hon. member for St. Michael South Central, the particular bit of his argument when he said that one of the disadvantages of off-shore banking was that there could be easier access to capital markets, and he said that in the case of Barbados he did not wish capital markets to be too readily available to the Government since the Government should be kept away from money, from the capital markets, as it was borrowing too much, and I was replying to him to point out to him quite clearly that Barbados has an extremely low debt service ratio in relation to its GDP and although Barbados is a medium income developing country with a relatively high per capita GNP, its low debt service ratio disqualifies Barbados for normal grant aid and rather reluctantly from some donors we get a little bit of concessional aid, and more and more donors are saying to Barbados that Barbados will have to go on the commercial market or borrow money at reasonable rates of interest in order to develop Barbados, and I was making the point, Mr. Speaker, that the Government, no matter what the colour of the Government may be, can only develop this country from borrowing and what it had to ensure was that its financial viability was such that it could pay the debt on any money borrowed, and we were at present paying that debt very well because of the Government's financial policy.

I was making the additional point also, Mr. Speaker, that it is very bad fiscal policy and national planning for a country such as Barbados to believe that its total capital development can come out of current revenue, because if we are creating wealth which we are handing on to our children and grandchildren, it is more equitable to present day taxpayers that some of the burden of creating that wealth should be borne by future generations. Merely to go around to tell the public that the national debt of Barbados has increased, meaning that to be some startling factor, is certainly not even beginning to give the public part of the truth, because if your national debt increases but the increase is directed to the productive sector in order to help you generate further wealth, then it is a proper use of the country's resources, and provided the debt burden is modest as it is here in Barbados there is nothing wrong in economic terms in increasing the national debt. That is well recognised, Sir, anybody who is looking objectively at our finances should know that.

A big point which the hon. member made in his submissions about off-shore banking was that hot money was a feature of off-shore banking centres. Now, Sir, hot money is a feature of economic life in all countries wherever there is banking, whether it is off-shore banking or non-off-shore banking. Let me give you an instance in relation to Barbados. Mr. Sydney Burnett Alleyne was permitted by the last Government to establish a merchant bank in Barbados. The only substantial funds which ever came to that bank, came through from Mozambique from various sources in Mozambique which had been handling the money which was running out of Africa at the time when the Portuguese were being thrown out of Africa. That money was laundered through Barbados in that bank, hot money. The second bank — we were not in off-shore banking then, Sir — was the Burlington Bank which was set along the road by Fort Royal Garage. I like to recall these things for people, Sir. On any criteria that bank should never have existed in Barbados, it was what the hon. member was calling a basket bank, no proper criteria or tests were done by the then Minister of Finance about that bank's existence here.....

3.10 p.m.

those two Banks themselves, ahead of Off-shore Banking, gave Barbados a bad image and reputation in the Financial World because there were sources of fly-by-night operators both of whom were operating to bring in hot money so it is a figment of the hon. member's imagination to believe that with Off-shore Banking you are creating a position for hot money whereas with non-off-shore Banking you are not creating such a position. It depends on how you regulate and more important, how you operate your Banking Laws and your Banking Institutions as to whether or not you prevent any ill effects from coming from you from money moving around the World.

Switzerland is a country whose Banking credibility is as high in the World and yet in Switzerland there are both hot and non-hot money but it does not help to corrupt the system because of the method in which the Swiss supervise their Banking Laws and their Banking practices and indeed the only point of substance that the hon. member has made in reply to this is that it is necessary for Government to ensure that the Central Bank's apparatus and inspectorate is properly matched and functioning properly to control any people who would seek to abuse the Banking Laws of this country regardless of whether they are Off-shore Banking or Non-Off-shore Banking.

I want to put it in another way, Sir. It lies ill in the mouth of the hon. member as the Shadow Minister of Finance that even the former Minister of Finance who was ahead of Off-shore Banking allowed into this country two fly-by-night operators that we have ever had with hot-money into Barbados.

How frequently we have to remind people of these things because it is amazing how quickly the human imagination forgets and people do not remember that we are only four years away from the Sydney Alleyne Bank and the Burlington Bank. They do not remember that and I have to rub it in and remind them that if the Democratic Labour Party perhaps was going to be running this legislation there would be dangers but there is a different dispensation. When I say the Democratic Labour Party let me bring it down to the then Minister of Finance, not even so the Government because some of these things never came near to the Cabinet. Some Ministers never knew about them. That is the sort of thing that was happening.

The other point which the hon. member made was, Sir, he said that another problem is the Immigration policy is likely to be compromised to meet the needs of Off-shore Banking. Now, Sir, no one's immigration policy needs to be compromised to meet any needs of Off-shore Banking. The policy has been that persons who are bringing an Industry here, be it a Banking Industry, a Manufacturing Industry, Tourism Industry, it must begin to train nationals to succeed in the highest positions in their Institutions and I think successive Governments have insisted on this policy and there is no reason why the policy should be changed for Off-shore Banking. Let us not in Barbados become so introspective as to believe that we have all of the expertise that we need in the World to run our Industries, even to run our Schools.

I think the hon. member for St. Michael South would be the first to admit that despite the fact that we have a University of the West Indies which has been producing more graduates in our systems for the Teaching Profession, for instance, that we are still having to recruit

Science and Maths Teachers from overseas even up to this day and indeed, only a few days ago in the British Press there was an article pointing out that Britain is having a shortage of Science and Maths Teachers in its schools and looking to overseas sources to provide these people.

There will always be a skill and a type of expertise that we must look to bring in people from outside. If we have use of them then our Immigration policy must accommodate this situation but what we have to ensure is that our Educational policy and our man-power planning at the same time helps us to fill these needs and in the longterm to look forward to satisfying the needs in time so that it is no point to use as against Off-shore Banking. It is a general point to argue about Government planning as a whole.

Now, Sir, the hon. member made another point in which he said that 80% or 90% of the increase of the financial benefit contributions and expenditures by this kind of Off-Shore Banking Industry in the Bahamas was siphoned off in imports and therefore the real benefit to the Bahamian economy was less than 10%. That may appear a good point unless one examines that in Barbados traditionally because we are an open economy with such a high import bill for food and certain other goods, we will always be a high importing country and that roughly 80% in any event of any increase in salary for civil servants, for instance, go unpaid for imports imported from other countries outside, roughly about that.

What the hon. member should be saying is not using that as an argument against Off-Shore Banking. He should be saying that we have to produce more wealth in this country so that we broaden the base of our economy to become less dependant on imports from outside. It is not an argument against Off-Shore Banking. He should say it is the nature of our economy and one of the ways that we can increase the wealth itself is by looking for avenues of service industries such as Off-Shore Banking in order to improve the national wealth of the country.

The other point he made, Mr. Speaker, Sir, is that no large amount of fees is to be expected from Off-Shore Banking. He said the World average is U.S. \$1.5 million, Sir, so that is \$3 million Bds, and indeed if in the first year we can get \$3 million Bds. From licensing Off-Shore Banks I would be the happiest person because he would save the Minister of Finance of having to pump \$3 million in taxes directly or indirectly on to the country unless our productive sector increases in such a way and our productivity was so high that existing taxes were bringing in additional revenue for the Government so that \$3 million is nothing that one should scoff at. Three million dollars at least is half of the tax that was being collected by the former Government from the Sales Tax and that was falling on Barbadians and if they could have had a position where they were getting \$6 million by

abolishing the Sales Tax to assist the majority of Barbadians it would have been a preferable form of taxation than looking to the Sales Tax in this way.

I cannot find one serious argument advanced by the hon. member to say that one should reject Off-Shore Banking as an Industry in this country. Not one serious one but I am not surprised when the hon. member sat down that the most he could say was that he was not enthusiastic about it, Sir.

I am going to make a prediction, Sir. In the unlikely event, in the almost impossible event that within the next 15 years his Party became the succeeding Government of this country — you heard what I said, Sir, within the next 15 years — I predict that they would never repeal any Off-Shore Banking Legislation that this Government has put on the Statute Book just as I predicted, Sir, that when we have legislated the Integrity Legislation and the Corruption Bill no matter how much they talk from now until the cows come home, they will never repeal it because they know that that type of legislation is fundamentally sound and correct in principle and in policy for the future of this country.

Obviously, they have a job to do. As the Opposition, their duty as Her Majesty's, I hope and believe, loyal Opposition is to try to convince the people that the Government is not doing a good job and in their argument, if you can get an argument, if you leave the impression with the people that you are correct, may sound like a good argument but in serious planning I know that this would be one of the avenues in which that Party should sensibly be looking for revenue and to improve the productive sector of the country. It is not the only mechanism.

3.20 p.m.

The Government is not putting forward Off-shore Banking as the be all and end all of proper, economic planning, or productive activity. It is only one of the avenues which we would explore, given the fact that we have to produce employment opportunities, increase wealth to try to minimise taxation levels in this country and we are aware of such dangers as they are, we will seek to defend the country against any dangers and maximise the advantages which they are.

Let me say finally, Sir, that the last Government, the present Opposition, brought in Off-shore Business to Barbados. The International Business Companies, have, after all, an Off-shore Business activity and that type of Off-shore Business activity has had all of the arguments which the Hon. Member has advanced used against him, by other countries as the reason why one should not go into it. Sir, mostly people who use these arguments, are people from advanced countries, who are frightened that

they are losing some of their own activities to the under-developed countries of the world and it is not without some significance that the Hon. Member referred to New York becoming an Off-shore Banking Centre because regardless of what the United States may have argued in former times, New York is itself trying today to become a main centre of Off-shore Business activity, including Off-shore Banking activity, having regard to the sort of money which is generated from that type of activity legitimately.

The Hon. Member is now coming up-to-date. I will lend him a few more publications so that he can be even more up-to-date on the sort of studies being done but, he has used every argument to satisfy the Government that these Amendments and the main Bill are correct.

Dr. CHELTENHAM: Mr. Speaker, Sir, I am sorry indeed that the Hon. Member for St. Michael South Central, who has been the principle spokesman for the Opposition on this matter, is not now in his seat because I think, that having made the inconsistent and widely extravagant statements which fell from his lips in the course of his presentation, that he ought not now to have absented himself and allow the Hon. Member for St. Michael South alone to take the brunt of the counter attack.

I am told, Mr. Speaker, that the Hon. Member for St. Michael South Central did say that he meant no discourtesy, but that he did have to be absent. I would only add that he is fortunate indeed, that he is absent. I think, Mr. Speaker, that those of us who have been concerned for a long while with the sort of utterances which have fallen from the lips of the Hon. Member for St. Michael South Central now know, that there is nothing congenitally wrong with his personality, but that he is deliberately embraced, as a working dictum that it does not matter what you say in politics, how truthful, or untruthful it is, impressions or images, they are all that matter. That explains Sir, why it is that his political personality is as distorted as it is and that explains too, Mr Speaker, why it is that he could draw a superficial equation between being an Off-shore Banking Regime and moral decay in your society, without pointing to any empirical evidence that would support such an equation, or any logical connection. He then proceeded to mention the Mafia, that this country would become Mafia dominated, just with a view to influencing the Press and stealing the Headlines, when in truth and in fact, there is no evidence that those countries which have adopted similar types of Off-shore Banking Regimes have ended up, either with moral decay, or with Mafia dominated societies.

I want to start exactly where I had planned to start and that is, to ask the Rt. Hon. Prime Minister what arrangements are being made to promote the Off-shore

Banking in a vigorous manner from day to day? I share the view, Mr. Speaker, that this facility has important long-term benefits for this country but, I also believe Mr. Speaker, that we are going to find the going out there in the promotion of our Off-shore Banking Facilities very competitive indeed. We are not the only country in the world which has this sort of legislation and out there fighting for this sort of business. It means therefore, that we have got to be well advised, in that we have got to recruit a cadre of able persons who can, from day to day, promote Barbados as an Off-shore Banking Centre, whether it be in Frankfurt, in London, in New York, or wherever.

I would like to know, from the Rt. Hon. Prime Minister when he comes to reply, what arrangements they have made for the day to day promotion in a vigorous way of Barbados as an Off-shore Banking Centre. I know, that thus far, we have identified the Central Bank as the para State Organisation which would be responsible for the processing of the applications and the management of the regime generally, but, I do not know whether the Central Bank will be responsible for the day to day promotion and if so, what are the first centres, the World Capitals that is, in which they will have personnel doing the day to day promotion.

It is not surprising, Mr. Speaker, that the Opposition sought to use the Off-shore Banking as the latest subject for distortion and attack on the political platforms. You will recall, Mr. Speaker, that when we introduced the imaginative step of the Employment Levy as an attempt, a very unconventional attempt, you may think, to create employment particularly, among aspiring white collar workers, that we were condemned in this Hon. House and we were told that it was bound to fail. We now know that it has met, in three short years, with quite significant success. In fact, the whole strategy of the Government in correcting the inheritance which was ours, as far as the economy was concerned, has been successful and the more successful that strategy is, the more we are likely to be attacked by the Democratic Labour Party because it is clear that if the country is prospering, they have little hope of electoral success, in terms of winning the Government, at the next Election. We also say that they have a vested interest in the economy collapsing, or not doing as well as it has been doing and that is the reason why they are seeking now to distort and misrepresent the Off-shore Banking facilities which we are seeking to create. But, the spokesman for the opposite side, did not have the courage to say whether he is for it, or against it. He took the contradictory stance of appearing to be attacking, but still, on the other hand, saying that he was implicitly, if not explicitly, supporting it, though not enthusiastically. In fact, he pointed out a series of contradictory positions for example saying, that we could expect little, or no employment to be generated

as a result of the measure. Again, at the same time saying, that in the field of lawyers, accountants and professional services generally, we are going to be so short, that he does not even know if locals will be able to get these services when the Off-shore Banking facilities start to move.

3.30 p.m.

He cannot have it both ways, Mr. Speaker, and I think for the benefit of the records that these inconsistencies ought to be identified for what they are worth. I think we have got to get back, Mr. Speaker, to the rationale behind the sort of measure that this Offshore Banking Act is. Barbados has for years as a country tried to create a welcoming climate here running side by side with an official policy of openness. This policy has been pursued by both administrations in this country, and that explains the emphasis on tourism. We are trying to welcome people to our shores. It explains the thinking behind the Fiscal Incentives legislation whereby we are trying to welcome manufacturers and industrialists from overseas to come and set up in Barbados. The International Business Companies Act is another feature of this welcoming policy and the Offshore Banking legislation is a further extension of this official policy of openness allied to an environment which is welcoming. In fact, Mr. Speaker, all that we are trying to do is to exploit the reputational and infrastructural facilities which we have here in this country in order to ensure that we can provide more business in the country and more employment in a particular class, Mr. Speaker, and that is very important.

We have found in this country that there is little or no unemployment for the artisan class. There is scarcely a plumber, a painter, a carpenter, a mason that is without work in this country today. There is no unemployment in the labouring class, and so far as we have an unemployment problem, Mr. Speaker, it relates to those who see themselves as qualified only for the service industries, those who want to aspire to white collar jobs, those who have been to secondary school and have not done too well, but with two or three certificates want to be bank clerks, want to work in insurance companies and trust houses and so on, and this particular bit of legislation is designed to cater precisely to that particular class of people. And Mr. Speaker, we do not need 25,000 or 30,000 jobs in that field. We are a small country and relatively small numbers mean a lot to us. For instance, Mr. Speaker, one of the reasons why I have so much faith in tourism is not so much because we have a good product here, and indeed we do; it is because I know that in relation to the total international travelling public Barbados needs less than one per cent per annum in order to do very well in tourism. In fact, it is very much to be doubted whether we could accommodate more than 60,000 to 70,000 persons here in any one month. Equally, Mr. Speaker, we do not need any large

number of jobs in the field that I am talking about. If in the next few years we were to generate 5,000 permanent jobs as a result of this measure in that particular category, we would have made a substantial contribution to licking the unemployment in that particular category to which I am referring, and that, Mr. Speaker, is the real thinking behind this particular measure.

I want to deal, if I may, Sir, with one or two of what I regard as the wild and extravagant statements made by the principal spokesman for the Opposition in this matter. Now to begin with, we have got to say again in here not only for the benefit of the record that the Democratic Labour Party is in no position to talk about uncontrolled inflation in this country over the last three years when we know as a fact that in the last three years that they were in office, in one year in particular, the inflation reached the high point of 34%. I am corrected that the position was 40%. That even makes it worse, Mr. Speaker. The average for the last three years of the D.L.P. office was 21%, and in 1977 it 8%, in 1978 it was 9% and last year 13%, and that contrasts with an average of 21% in the last three years of the D.L.P. in office. And there is no evidence, Mr. Speaker, that an offshore banking regime on the scale that we contemplate having one, Mr. Speaker, will lead in any significant way or at all to inflation. In fact, because of our good sense thus far in this country and the way we manage our affairs, already there is a shortage of executive houses. We know that Shell, for instance, Mr. Speaker, every day in the newspaper want executive houses in Christ Church, St. Michael and St. James, and they are not the only company in our country from overseas that want houses for their representatives here. It is all part of our success, Mr. Speaker, in attracting and welcoming people to our shores, because Barbados is a desirable base from which to operate, and this measure that we are discussing today, Mr. Speaker, is just a logical extension of that official policy.

With respect to the point about the distortion of our immigration policy as a result of having an offshore banking facility, I think that matter too ought to be put in its perspective. The Hon. Attorney General spoke very sensibly and reflected what is the official policy and that is that if you come into this country and make a substantial investment with a business, whether the business be a banking business or otherwise, we recognise that you are entitled to have at least one person here to look after your interests. In fact right now in relation to manufacturing in this country there is a formula whereby if you bring in a factory that employs 50 people you are entitled to have one person from overseas; up to 150 you can have two persons, 300 and beyond you can have three persons. That is official policy thus far and I can imagine, Mr. Speaker, that it will extend too as far as banking is concerned. But I will say this, Mr. Speaker, there is a difference here with offshore banking. Some very very skilled persons are going to be needed in the

operation of an offshore banking business, men who, Mr. Speaker, at 9 o'clock will be told what are the differences in rates existing on the many money markets across the world and these men would be expected to make decisions in the flash of a second, moving \$3 million from here to Hong Kong and calling back money from London and so on.

When you are dealing with foreign exchange dollars of that sort, Mr. Speaker, they are rare men in the world and obviously you will have to make arrangements to have them here. The system cannot operate without a few such persons in our midst; but if we insist that there are to be always under-studies, there are to be always Barbadians who are being trained in these fields, we can only benefit from having those persons in our community.

The point about hot money and money to be laundered passing through our facility, Mr. Speaker, is a serious overstatement and that too has got to be put in perspective. Let us be very honest about it, Mr. Speaker. When any person comes to Barbados from the United States and says look, I like your country, I have some money and I would like to invest in, let us say, a hotel on the west coast, how do you know that that is not nasty money? How do you know where the money has come from and what means will you ever have of knowing where it has come from, and whether you use the current epithets it is nasty, hot money, in the end. Mr. Speaker, we live in a world of men and not in a world of angels, and we must not be naive enough to expect that money from some illegitimate sources will not pass through our facility.

3.40 p.m.

That by itself is nothing bad, it happens all over the world. What we have got to ensure, Mr. Speaker, is that we have the mechanisms there to reduce the impact resulting from that sort of money to as little as possible, but we cannot be naive enough to think that we can prevent nasty money, so called, from passing through Barbados, because as I can hear, Mr. Speaker, from those about me, it is passing through already. That is a fact of life, this is a world of men, not angels.

Mr. Speaker, I have very little else that I would like to comment upon except that I would like to very strongly advance the viewpoint that the promotional climate is going to be difficult. There are many countries competing for the sort of clientele we would be looking for. I do not favour putting our promotion in the hands of consultants on short term and then only after a few years having our own promotion officers. I believe that we ought to settle as early as now which particular organisation we are going to give the responsibility of promoting Barbados as an off-shore banking facility to and let us recruit locals to get ahead with the job perhaps

using public relations firms to assist us but not relying exclusively on them.

I want to suggest too, Mr. Speaker, that we ought not to believe that the pay off in the short run is likely to be as dramatic as anything like 3,600 jobs in the first two or three years. I believe that we have the reputational infrastructural facilities to develop this facility successfully, but I believe that we are going to grow slowly and only after a passage of time are we going to reap the full benefits. The particular amendment which has been brought before the House today is one which introduces some flexibility and I believe on the whole would facilitate the promotion of the venture. I do not believe that it will have the undesirable effects which the principal spokesman for the Opposition contended, and I have no doubt that with the passage of time and as we gain more experience we may have to trouble this House once again with a further amendment born out of experience and designed to further refine this legislation.

Mr. SIMMONS: Mr. Speaker, I want to put a few questions, since I am not making a speech on this Bill, I want to ask a few questions of the Democratic Labour Party. Does the Democratic Labour Party really believe that it has any moral authority to enter into the area of off-shore banking from the standpoint of criticism of the legislation that is proposed by this Government? My submission is that they cannot have any moral authority because it was they who introduced, as I demonstrated in the Budget Speech, in 1965 the International Business Companies Act which was the forerunner of this legislation. They rolled the wicket, as it were, way back in 1965, so that today's criticisms and recent criticisms of the Democratic Labour Party and also of the Barbados Workers' Union ring very hollow indeed. I find a similar criticism of the Democratic Labour Party in respect of their attitude to gambling which was mentioned in connection with off-shore banking and the possible ill effects of a regime of off-shore banking, but it was the same Democratic Labour Party who licensed the betting shops in Marhill Street. They legalised gambling first and now have the gall to be saying that there is over-extension of gambling. One of their recently acquired buddies, a prospective candidate, has even said that off-shore banking is the purification of dirty money and that is his reason for entering the political arena again on the side of the Democratic Labour Party as he did in 1971. How can he say or how could anyone in the Democratic Labour Party be consistent? In fact, how can they have any kind of intellectual honesty to put forward a proposition like that when it was their own party which gave birth and succour and received benefits from the Alleyne Mercantile Bank which was a kind of off-shore bank that operated in conjunction with one local commercial bank for the purpose of laundering Mozambique money? They were in it. Do they want the

public to believe that all of a sudden they have seen the errors of their ways and that they are now clean and wholesome? In four and a half short years, Sir?

Mr. Speaker, there was one point raised by the hon. member for St. Michael South Central. In seeking to find the number of reasons for and against the off-shore banking regime he made himself in my submission seem less than sensible in suggesting that one of the reasons for the establishment of the off-shore banking regime was to assist people who are getting divorces in sending their money out of the country to deny a wife some benefits of alimony. Now I would hope that nobody pays any attention to it because it is neither true nor sensible. The majority of divorces in Barbados — and they were coming at the rate of one a day this year. I have stopped doing them now because for the first 18 days I had 18 and I am finished with that. There are too many complications in divorces nowadays and too much bitterness and a lawyer is caught in the centre of it, so I am finished with that — but the majority of people who are getting divorces are people who in fact cannot afford to be divorced. The dislocation of the home means a wife and children have to go and either stay in the matrimonial home or rent somewhere else and the husband has to provide his own accommodation, his own laundry, his own meals and so on and when you look at it there are people who are not in a position financially to afford divorce. Where would these people get money from to invest in some off-shore banking scheme to do each other out of what? They cannot even afford to give \$100 a week towards the support of the wife and child. It is ludicrous for a member of this Hon. House to come in here and make nonsensical statements which will probably attract the pen of somebody and gain currency in the community but will only be misleading in its effect, and I take issue with this kind of attitude. Of course the hon. member for St. Michael South Central told us today in his own words that in politics truth does not matter, so it is perhaps his style, talking a lot whether it is true or not. That is the basis of his political philosophy.

3.50 p.m.

These words will persist from me from now until during the Elections, whenever they are called because I do not feel that it is fair to the people whom we represent to come in the House of Assembly and make a statement that in politics truth does not matter. Putting forward that as your own philosophy it needs to be examined.

Mr. Speaker, I am not going to get into the area of whether the money that is coming to Barbados for Off-shore Banking will be hot or not. As the last member who spoke has pointed out, the source of funds coming into a country, most countries, far less a small developing,

comparatively insignificant country like Barbados, the sources of funds are not known.

An Industrialist coming to build a factory in St. Philip, you do not know where he is getting his money from or building a hotel. Somebody coming to invest in an Off-shore Banking operation, it is the same thing except that all the country can ask of its Government is that whatever means that are available to the Government must be exhausted to ensure that proper checks and scrutiny are done of potential investors in Barbados. They cannot ask any more of the Government. It is just as if somebody is telling you from another Island to resign.

You have to investigate them to ensure that their characters are clean and they have no Police Records and so on and very often you have to take people on trust. Similarly in this area a Bank which is to be established in Barbados, the most the Governor of the Central Bank can do is to investigate with the authorities in the originating country of the Bank or the money what is the track record and status of the investment. If you are then satisfied you license them and there are provisions made for constant review, checking and scrutiny of the operation. That is the most that you can do.

What people do not seem to realise in Barbados, especially those in the Democratic Labour Party who stand unwilling to acknowledge the progress that the country has made under this Government is that a Government cannot necessarily come every day and put a job in somebody's hand or put \$10 or whatever. A Government is there to create a climate, to create conditions in which people can invest, establish factories, establish businesses, and create an atmosphere for the expansion of employment possibilities. Having done that, the individual has to use his own initiative to make capital of the opportunities provided by the Government.

Government has given incentives to the construction industry, has encouraged building and done a series of things in terms of building. I am not going into them now and so there is a lot of activity in the construction business. Government itself has built a number of projects. All we can do is to create all of this work potential and the people themselves must go and perform.

What we have got in the construction industry is that we have a lot of work available but perhaps you do not have the commensurate number of skills to perform, not because of any fault or decision of the present Government but that is something inherent in the long-term planning of this country because if people had been serious in the previous Government, certainly in the last five years of the previous Government about the development of the Island they would have been able to have a blueprint for the physical and structural development of the

Island and necessary labour force to show to what extent you would need skilled labour, so that in respect of Off-shore Banking, if I may use a similar analogy, all that the Government has done is to create a certain economic mechanism for the additional creation of employment and mechanism out of which direct financial benefits will also accrue to the Government and people of Barbados.

If the Democratic Labour Party could truthfully find itself opposed to something which has gain acceptance in many countries of the World, both developed and developing countries that they want to deny Barbadians the right to participate in these kinds of sophisticated areas of commercial activities, if they want to deny Barbadians the right to jobs, if they want to deny the Treasury the right to see some additional funds, then it is a matter for them to come and say positively that they are against it, that the House, in my submission, should not tolerate a lukewarm attitude about I am not too enthusiastic about it but I will support it and then when the time is drawing nigh for voting, the person who makes that statement sends an apology saying that he cannot come back in the afternoon.

Mr. Speaker, I am one who is going to support this Bill because I see much merit in it. I have every confidence that just as why the Opposition recognises that there is a possibility that you get fly-by-night people coming in, the Government even moreso is aware of this problem, the likelihood of contamination of the system by persons of devious character. Nonetheless, I am also satisfied that the Government and the Central Bank will use all the necessary steps and facilities available to ensure that the type of Banking for persons coming into this business is thoroughly checked and is of good and honest repute. This is my contribution.

Mr. ALLEYNE: Mr. Speaker, I want to add my contribution to the contributions which have already been made. I want to add my contribution not because I intend to repeat what has already been said but because, Mr. Speaker, I think there are areas open in which there have been little or no discussion already because in some respects I fear that misleading impressions may have been given in relation to one or two matters already debated.

Now I have already had a special interest in this area for a long time, Mr. Speaker. My interest goes back to the time when this Party was in Opposition when I spoke to the then Leader of the Opposition in connection with this particular issue. I am happy to see that the Off-shore Banking Act has received the approval of Parliament and I want to make a number of points which I think ought to be made now that we are looking at the amendments of that Act.

The first point, Mr. Speaker, is this, that it has to be clearly understood that money is now big business and

what is an even bigger business nowadays is the management of money, the management of money on the International scale.

4.00 p.m.

What the Off-shore Bankers and Investment Business Company Directors will be engaging in, is nothing more than the management of their money at the international level and all that this Legislation is seeking to do, is to inter-nationalise the planning and management of money. It is intended to assist persons who deal in money, in making the best and wisest use of that money, in particular Jurisdictions. Now, that is nothing more than is done at the domestic level. All that is happening now, is that this Government, having seen the trend, is determined to cash in on that trend, in much the same way, as the Industrial Development Corporation is cashing in on the other trend in relation to fiscal incentives for the setting up of banks and so on.

Now, we have been told earlier today, Mr. Speaker, that perhaps Barbados has come a little late in the scheme of things. I want to speak from a background of some knowledge, of what is going on in the International Tax Planning field to demonstrate that Barbados is not coming in at the tail end of things. Let us deal with Off-shore Banking particularly. I understood the Rt. Hon. Prime Minister to be saying when he returned from his trip overseas, that the country would be looking up to the United States for much of its Off-shore Banking Business. I got the impression that the opportunities existed between Barbados and the United States of America, for greater involvement in Barbados by the banking operations presently situated in the United States. If that is correct, Mr. Speaker, it is a fact that, at the moment, the majority of Off-shore Banking Business done outside of the United States, by the United States enterprises, is done in this region. At this very moment, there is considerable debate in the United States as to whether or not, the Treaty which existed between the Netherlands Antilles and the United States, is to be unilaterally abrogated by the United States. Now, Mr. Speaker, that has gone so far, that Congress is looking at that particular aspect of the matter. Now, if there is such uncertainty, it is my view, that Barbados has started at the right moment because already, the tax planners, investment advisers and what have you in the United States, are looking to Barbados as a possible alternative. I say that, not off the top of my head, Mr. Speaker, but I know this for a fact, that already serious enquiries are being made by United States advisers, about facilities offered by Barbados because they are seriously considering switching from some of the other areas, particularly the Netherlands Antilles, to Barbados. That is the first point in relation to Off-Shore Banking. If we are looking at the total concept of the Financial Centre and we look for example, at the Captives Insurance Market, it is clear that the majority

of Captive Insurance Companies are situated in Bermuda and it is also a fact, Mr. Speaker, that a number of those companies are currently fleeing from Bermuda and looking for other areas in which to set up their Captive Insurance Companies. That is why I say, Mr. Speaker, that Barbados has not come in at the tail end of things because shortly before he left for his trip, I had suggested to the Rt. Hon. Prime Minister that perhaps we should, in fact, have Captive Insurance Legislation, but apparently, there is a school of thought that the International Business Companies Act can take care of that particular problem. If that is so Mr. Speaker, it is clear, that Barbados is also right for the attraction of a great deal of that kind of Business. The other point, Mr. Speaker, is in relation to Shipping Registration which is also another affiliated activity, another related activity in the Off-shore Financial Business.

The recent troubles in Liberia would suggest that yet again, that companies registered there, for the purpose of carrying on their shipping operations, may be looking for other legitimate centres in which to set up their operations, so that, when one looks at the spectrum of the Off-shore Financial Centres, I think, Mr. Speaker, that Barbados is getting into the Act at the right moment and I am suggesting that a number of important benefits would accrue to this country, provided that we push through with the start which we have already made. That is why I say that the Hon. Member for St. Michael South Central clearly does not understand what he was speaking about when he made the point that Barbados is getting in at a time when the demand is falling off. What I do not think is understood, is that the demand for these kinds of services does not fall off as such. You get a shifting from one centre to another, dependant upon a number of factors, and political stability is a most important factor.

What might even be more important is the very infrastructural facilities which we have here. Now, Mr. Speaker, when we look at Off-shore Banking specifically, we have to understand what it is that this Government is going after. The vast sums of which the cross international borders on a day's basis, have only to be stated to demonstrate the size of the International and Financial Market. I want, Mr. Speaker, to look at a number of the factors which would demonstrate how much is crossing international borders. It is my understanding, Mr. Speaker, that the International Business of American Banks in the Caribbean was something in the vicinity of \$30 billion in 1975. My understanding is that in anybody's language, that is a lot of money but perhaps, the enormity of the situation can be grasped by another little known fact and that is, that the Federal Reserves Board of the United States, put the view that overseas assets in the Caribbean Tax Havens were greater in these Caribbean Tax Havens, than those held in London. That suggests, Mr. Speaker, that we are talking

of vast sums of money. We are talking of a billion dollar industry and in much the same way as this Government thinks it right to get into the act of providing jobs by providing fiscal incentives, I think it is only right that in relation to a billion dollar industry, the Government is right and twice right in providing the kind of incentives which we find in the Off-shore Banking Act to attract such industries to Barbados.

If we look, for example, Mr. Speaker, at what is known as the Euro Dollar Portfolio; in 1977, American Banks had booked \$12 billion in Euro Dollars in London.....

4.10 p.m.

They had in the same year booked no less than \$30 billion in the Caribbean. Now that is an important statistic because it ties in with something the hon. member for St. Michael South Central said this morning, although I do not think he quite understood the significance of what he was saying on that particular point, because when you reach the stage when these vast sums of money are being booked, it tells you, Mr. Speaker, that the money itself does not necessarily have to come to Barbados, and that, I think, is a fundamental error which is being made by some commentators. They take the view that the money must actually land in Barbados in a physical sense and then be transported out of Barbados in a physical sense to some other country. That is not necessarily correct, and to that extent, Mr. Speaker, this whole question of hot money is wrapped up with the notion that money must somehow physically come to Barbados and then be physically transported out. We are really talking, Mr. Speaker, about booking operations, so that to that extent the actual so-called hot money need not actually come to Barbados.

But let me leave that topic for a moment, Mr. Speaker, to speak about the forward planning of this Government in relation to this particular issue. Barbados has recently completed a double taxation treaty with Canada, a most revolutionary kind of treaty, a most important document; it has received little publicity in the local press but it is an important forward step in the direction of what I call the money industry to Barbados, because that treaty — and Mr. Speaker these double taxation treaties are intimately wrapped up with the whole question of offshore banking and international business companies — has novel features which I do not believe are found in any of the treaties which Canada has with the other Caribbean territories or CARICOM territories; and so the Government has had its eyes well open long before we get the actual operating of the offshore banking legislation. We had the double taxation treaty with Canada which would seek to encourage Canadians to come and invest their money here either in offshore banking operations, but more particularly in international business companies. The Government,

Mr. Speaker, has got its head on correctly, it understand where it is going, it knows what is necessary to be done to attract the industries here, and it is doing it in some respects quietly but in all respects sufficiently.

Now I want to suggest certain ways in which the Government can more efficiently do its job in relation to the promotion of Barbados as a financial centre. We hear of suggestions that the Government should actively promote Barbados by getting proper public relations experts and perhaps officials and so on, but I am thinking, Mr. Speaker, that the safest, the most successful way of doing it is to bring to the notice of practising professionals in the field of international tax planning the advantages which Barbados has to offer. A businessman is not going to be terribly impressed by the advantages. A man who has \$2 billion or \$3 billion is not going to be terribly impressed. What will impress him is if his advisers say to him, go to Barbados, Barbados has advantages A, B and C over the Netherland Antilles or the Cayman Islands or the Bahamas or Hong Kong or Singapore and things of that nature, and I am reminded, Mr. Speaker, that there is in fact a clique, if you like, of persons who make their expertise available to these general advisers.

The point I am making, Mr. Speaker, is that this country must get into the business of sponsoring in Barbados international tax planning conferences similar in kind to the one which was sponsored some two years ago, the one to which the hon. member for St. Michael South Central made reference earlier this morning. These conferences must now speak of the advantages and the Government must actively seek out the recognised experts of the area, the persons who are actively in the field advising and bring them to Barbados; people like Mr. Langer who wrote a paper which is in the booklet to which the hon. member referred earlier today, people like Mr. Grundy who I understand came to Barbados some time ago and actually wrote an article about the Barbados International Business Companies Act in one of the International Journals and persons of that sort. Already I know that Barbados is receiving attention from these persons because in the tax planning magazines articles have been written in the recent times about the Offshore Banking Act and about the amendments to the International Business Companies Act, but I think much more has to be done to excite the professional advisers in the field so that they can in turn sell the advantages of Barbados as a financial centre to their clients.

I just want to make one point, Mr. Speaker, before I sit down, and it is a point related to part of the speech made by the hon. member for St. Michael South Central earlier today, because he sought to give the impression that Barbados was in fact high-priced so far as the provision of these services was concerned, and that Barbados would have to reduce its charges in order to attract such

business. Now, Mr. Speaker, as I said, a number of these statements were made from a background of inexperience because a study has been made of the comparative cost of setting up investment companies in a number of these tax haven jurisdictions and Barbados is included in that study. I have made it my business to bring along a comparative table and an examination of that table will show for example, that Barbados is not by any means the most expensive. Mr. Speaker, I want to refer to the Tax Haven and Shelter Report for September, 1978 in which an assessment has been made of the cost of setting up operations in a number of countries and it is to be demonstrated for example that the total setting up cost of an investment company under the International Business Companies Act would be something like \$US 500 in Barbados, in Bermuda it could cost as much as \$US2,900, in the Bahamas it could cost as much as \$US1,050, in the Cayman Islands about \$US1,512 and in Cyprus about \$US1,269. One could go on for ever showing the comparative figures. I have only dealt with those countries which are likely to be our competitors. The total annual cost for example in Barbados would be \$US313 to service a company, it would cost in the Bahamas about \$US1,700, in Bermuda about \$US1,800 and in the Cayman Islands about \$US2,000.

Mr. SPEAKER: For the benefit of the Hansard Reporter, you should give us the title of the document and the pages from which you were quoting.

Mr. ALLEYNE: It is Tax Havens and Shelter Report for September, 1978, at page 6. That demonstrates, Mr. Speaker, that when one gets down to the facts, when one examines the actual position, it is clear that Barbados is in a highly advantageous position from the point of view of attracting this business to Barbados. The setting-up costs are smaller, the annual costs are smaller the developments are here, direct dialling for example on telephones is around the corner; we have the infrastructure which is necessary to assist in the proper execution of these facilities, and in the last resort we have perhaps the most precious selling point from the point of view of the investor, political stability. I think, Mr. Speaker, that the Government has taken a wise step, I was active in promoting the suggestion, I will continue to support it, I think it is right, and it has to be defended.

Hon. H. B. ST. JOHN: Mr. Speaker, there are just two points that I think I should reply to on behalf of the Prime Minister, and I am sorry that the hon. member for St. Michael South Central is not here because I think that the amendments that have taken place today are not as profound in relation to the loss of control as the hon. member seems to suggest.
4.20 p.m.

Under the original Bill which was passed previously a company had to be locally incorporated to get a licence. Under this Act in addition to companies which are locally incorporated, companies who are licensed under the existing Banking Act who already carry on business which under the new Act will be off-shore business, they can carry on foreign business as a separate type of activity with separate books of account but, and this is most important, in relation to the business which they carry on that comes within the off-shore banking licence they are subject to the Companies Act of Barbados, the Bankruptcy Act of Barbados like any other company that is incorporated under the laws of Barbados, and I think that is a very important point and I wanted to clarify that.

I think the hon. members have dealt very comprehensively with the points raised by the hon. member for St. Michael South Central and I will also reinforce that those foreign banks still have to get licences, still have to follow and have a capitalisation prescribed and are subject to the jurisdiction of the courts in Barbados.

There is only one other point I would like to throw out. Gone are the days when the only money that was available for international banking was money which consisted of profits from American or other multi-national corporations. Today the real money in the world which has to be recycled and which it has now been proven has not been satisfactorily recycled neither by the IMF, by the commercial banks, by the World Bank, that is, that amount of money which accrues to oil producing countries every time there is a price rise. The surplus this year is anticipated to be \$120 billion. That surplus has got to be recycled in some fashion that the countries who have to transfer from their reserves to the owners of the oil, because the owners of the oil just are not going to put that underneath a bed, they are not going to bury it, they have to invest it, and mechanisms such as the existing commercial banks, the World Bank and the International Monetary Fund cannot recycle that fast enough. I believe that Third World countries and Third World institutions will get some part as a result of direct Government to Government or Government designated institutions dealing with Government designated institutions will get some opportunity to provide the management of that money. If you are a reputable country with a good record of repayment there is absolutely no reason why you should not stand an equal chance to compete with others for a small slice of that recycling operation. That is one of the areas that I feel that anyone who has studied this situation would recognise is in existence today, so any question that there is little room now for this type of activity may have been true when the article was written but today every financial journal tells you that the surplus for this year accruing to OPEC countries is likely to be of the order of \$120 billion.

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

Dr. CHELTENHAM: I beg to second that.

The question was put and resolved in the affirmative without division.

On the motion of Hon. H. B. St. JOHN seconded by Mr. ODLE, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 to 10 inclusive were called and passed.

The Schedule was called.

Hon. H. B. St. JOHN: Mr. Chairman, I beg to move that the Schedule be the Schedule to the Bill.

Dr. CHELTENHAM: I beg to second that.

The question was put and resolved in the affirmative without division.
4.30 p.m.

On the motion of Hon. H. B. St. JOHN, seconded by Dr. CHELTENHAM, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. DEPUTY SPEAKER, resumed the Chair and reported accordingly.

On separate motions of Hon. H. B. St. JOHN, seconded by Dr. CHELTENHAM, the Bill was read a third time and passed.

**RESOLUTION TO APPROVE THE COMPULSORY
ACQUISITION OF LAND AT HALLS ROAD
AND CONSTITUTION ROAD, ST. MICHAEL,
FOR THE PURPOSE OF CONSTRUCTING
A ROUNDABOUT**

Order No. 3 was called – To move the passing of a Resolution to approve the compulsory acquisition of lands at Halls Road and Constitution Road, St. Michael, for the purpose of constructing a roundabout.

Hon. L. S. CRAIG: Mr. Deputy Speaker, this acquisition enables the Government to acquire the parcel of land at Halls Road for the purpose of road improvement. You would observe the roundabout at Halls Road is now in its final stages and this acquisition would enable the Government to carry out its final work there.

Also, Sir, for the first time the people at Ellis Village at Halls Road would have the opportunity of having a proper road up there because the Ministry of Communications and Works who is looking after the actual work of the roundabout they have now completed half of the amount of road work at Ellis Village and I believe,

Sir, that this acquisition here would enable the Government to acquire the bits and pieces of land here for the entire road improvement.

There is not much I can say on this Resolution, Sir, in the light that my Ministry is only the executing body of the acquisitions. It is a matter which the Ministry of Communications and Works would be well involved in.

I beg therefore, to move that, Mr. Deputy Speaker, this Resolution do now pass.

Hon. H. B. St. JOHN: I beg to second that.

The question was put and resolved in the affirmative without division.

**RESOLUTION TO APPROVE THE LEASE OF LAND
AT PRESCOD BOULEVARD, FONTABELLE,
ST. MICHAEL TO BRUCE HILL LTD.**

Order No. 4 was called – To move the passing of a Resolution to approve the lease of land at Prescod Boulevard, Fontabelle, St. Michael to Bruce Hill Ltd.

Hon. L. S. CRAIG: Mr. Deputy Speaker, this has a slightly different slant. It is for the purpose of leasing land at the back of Fontabelle, along Prescod Boulevard to Bruce Hill.

The lands there along Prescod Boulevard are too narrow for Government to carry on any construction there. The land adjoins the land to Bruce Hill but it is owned by the Government and the Government is entering into a lease for the purpose of allowing Bruce Hill Limited to extend their business for the purpose of establishing a factory to make tissues and toilet paper.

It is primarily a Paper Factory and the lease is for some 25 years with an option of renewal. It is some 1,584 square metres of land, approximately 1,740 square feet. The valuation of the land is something like \$5,970 per annum with an option to renew the lease every five years.

It has had Cabinet's approval and therefore, Mr. Deputy Speaker, I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: I beg to second that.

The question was put and resolved in the affirmative without division.

PATENTS (AMENDMENT) ACT, 1980

Order No. 6 was called – To move the Second Reading of a Bill to amend the Patents Act.

Hon. H. B. St. JOHN: Mr. Deputy Speaker, this is a short Bill to implement the Budgetary Proposals of the Hon. Minister of Finance. It sets out in the Schedule the new rates payable to the Registrar of Patents with the filing, transfer and other applications. It is the intention of Government as has been announced to bring down new legislation dealing with the collection of property and I am very pleased to say that substantial progress has been made in the drafting of this Legislation.

Now that this Government has joined the World Intellectual Property Organisation, we have had the benefit of advice and advisory services from that Organisation and only recently a team consisting of a Senior Legal Draughtsman and a member of the Task Force namely, the Director of Standards returned from Geneva in which they had an opportunity to have a final discussion of the principles to be embodied in the new Patents, Trade-Marks Copyrights Certification Act and Industrial Designs Act.

I beg to move, Sir, that this Bill be now read a second time.

Mr. ODLE: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. H. B. St. JOHN: Mr. Deputy Speaker, I beg to move that Your Honour do now leave the Chair and the House go into Committee of Supply.

Hon. L. S. CRAIG: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. DEPUTY SPEAKER left the Chair and the House went into Committee of Supply Mr. ODLE in the Chair.
4.40 p.m.

Clauses 1 to 3 were called and passed.

The Schedule was called and passed.

On the motion of Hon. H. B. St. JOHN, seconded by Dr. CHELTENHAM, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. H. B. St. JOHN, seconded by Dr. CHELTENHAM, the Bill was read a third time and passed.

ADJOURNMENT

Hon. H. B. St. JOHN: Mr. Deputy Speaker Sir, I beg to move that the House do now adjourn until Tuesday next week, the 8th July, 1980, at 12 noon.

Dr. CHELTENHAM: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. DEPUTY SPEAKER adjourned the House accordingly.

4.46 p.m.