

THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

HOUSE OF ASSEMBLY

Tuesday, 21st September, 1982

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m. o'clock on Tuesday, September 21, 1982.

PRESENT

His Honour W. C. B. HINDS, J.P., (Speaker); Hon. L. S. CRAIG, (Minister of Parliamentary Affairs and Leader of the House); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. B. M. TAITT, B.A., (Hons.), M.A., LL.B. (Hons.); Hon. DeL. O. BRADSHAW, (Minister of Housing and Lands); Mr. L. L. SISNETT; Hon. Dr. R. L. CHELTENHAM, M.A., M.Sc. (Econ.), (Minister of Agriculture, Food and Consumer Affairs); Mr. R. E. BRATHWAITE; Hon. Dr. D. G. BLACKMAN, (Minister of Transport and Works) and Mr. A. TRUSS.

Prayers were read by Archdeacon F. A. Cayless.

Hon. L. R. TULL entered the Chamber and took his seat.

MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Tuesday, September 14, 1982.

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that the Minutes for September 14, 1982 be taken as read.

Mr. L. E. SANDIFORD and Mr. H. A. BLACKMAN entered the Chamber and took their seats.

Mr. SPEAKER: If there are no observations by honourable Members, let those Minutes stand confirmed.

PAPERS

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, I am commanded to lay the following:—

The Water Services Regulations, 1982.

The Water and Sewerage Rates Regulations, 1982.

Hon. L. S. CRAIG: Mr. Speaker, on behalf of the Minister of Finance and Planning I am commanded to lay the following:—

Statement showing Net Customs and Excise Receipts for 4 months ended 31st July, 1982.

GOVERNMENT NOTICES

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

Resolution to approve the lease of a parcel of land at Wildey in the parish of St. Michael to Mr. Tee's Donuts (B'dos) Ltd.

A Bill to amend the Banking Act Cap. 322.

A Bill to amend the Profession, Trade and Business Registration Act, Cap. 373.

FIRST READING OF BILLS

On separate motions of Hon. L. S. CRAIG, seconded by Mr. L. L. SISNETT, the following Bills were read a first time.

A Bill to amend the Banking Act Cap. 322.

A Bill to amend the Profession, Trade and Business Registration Act, Cap. 373.

Dr. R. C. HAYNES entered the Chamber and took his seat.

ORAL REPLIES TO QUESTIONS

Hon. L. S. CRAIG: Mr. Speaker, Sir, I beg to give notice that the Reply to Parliamentary Question No. 14, asked by the honourable Member for St. Philip South, is now ready.

Also, I beg to give notice that the Reply to Parliamentary Question No. 11, asked by the honourable Member for St. Michael South, is now ready.

And I beg to give notice that the Reply to Parliamentary Question No. 12, asked by the honourable Member for St. James South, is now ready.

SUSPENSION OF STANDING ORDERS

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20 and 42(5) be now suspended for the remainder of today's sitting.

However, Sir, there is no Private Members' Business on the Order Paper and I would give the assurance to the honourable Members that since I have given notice that the Replies to the Parliamentary Questions are ready, I shall be doing them sometime during the course of the day, Sir.

The question that those several Standing Orders be suspended for the remainder of this day's sitting was put and resolved in the affirmative without division.

Rt. Hon. J. M. G. M. ADAMS entered the Chamber and took his seat.

GOVERNMENT BUSINESS

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

Hon. L. S. CRAIG: I beg to move that Order No. 2, Sir, be the Instant Order of the Day.

Mr. SPEAKER: Order No. 2.

COMPANIES ACT, 1982

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, I called this Order to know, really, what is the status of debate on the matter. It was laid in the House on June 15, read a first time on that date, and on July 13, the

Deputy Prime Minister was moving the Second Reading. I believe that at that stage the Opposition asked that the matter be postponed. The Deputy Prime Minister and Leader of the House moved accordingly, and it was postponed.

It is now over two months, which is, in my respectful submission, surely enough time for consideration, even of a complicated Companies Act, and while the Government is prepared to give a little longer, we would have to know with some certainty when the Opposition is going to debate this Bill, because it is not intended by the Government for it to stand on the Order Paper forever.

Indeed, Sir, I am not really making any speech on it. I second the speech made by the Leader of the House and beg to move that the Bill be read a second time.

12.30 p.m.

Mr. L. E. SANDIFORD: Mr. Speaker, on this particular matter raised by the Prime Minister, I have been advised — I was absent from the House on that particular day — my understanding of the background of this is that the Deputy Prime Minister had introduced this matter and was speaking, and then further consideration was postponed.

My understanding is that he had not completed his speech — I speak subject to correction. (He said so?) I am advised by my colleagues that he did not say that he had not yet completed his speech.

If the Government side now wishes to truncate the speech of the Deputy Prime Minister and to proceed with this matter in his absence, that is up to them. We are prepared for the debate. But I am really wondering if they wish to do that kind of discourtesy to the Deputy Prime Minister.

Hon. L. S. CRAIG: I can assure Sir, the honourable Member that we would have had discussion with our colleague. (A Pause)

Mr. SPEAKER: Order No. 2 has been called, but I think it advisable that the Government should further postpone consideration of this matter until a little later during the course of the day.

Hon. L. S. CRAIG: Order No. 6.

Mr. SPEAKER: Order No. 6.

Order No. 6 was called — to move the Second Reading of a Bill to provide for the establishment of a fund to support the price of sugar and for related matters.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, the Bill now before the House is enabling legislation to facilitate the operation of the sugar support price scheme which I announced in the House on July 13. In substance, the Bill:

Authorises Barbados Sugar Factories Limited to issue bonds for the purpose of financing sugar support price funds;

Allows the Government to guarantee the payment of principal and interest on these funds;

Exempts the sinking fund, which will be created out of proceeds of savings from sugar, from taxation;

Makes loans which can be converted into grants and interest refunds subject to taxes and levies as income;

Amends the Income Tax Act to permit the issuance of tax-free bonds by Barbados Sugar Factories Limited, which is a private company and not a statutory corporation; and,

Provides for public accountability of the management of the sugar support price fund.

The support price scheme itself is so designed, Mr. Speaker, as I mentioned in here on an earlier occasion, as to providing an incentive to increase sugar production. I will deal with this later, but I am outlining the salient points of the Bill. Additionally, the scheme will of course improve the cash flow of the Barbados National Bank since it will reduce the sugar industry's debts to the bank by stipulating that the support payments be paid into producers' accounts, and the call which the Barbados National Bank has against plantation funds will therefore be a first charge on any of the support price.

We have now, Mr. Speaker, obtained the assurance from the sugar industry that the cane price formula, which was adopted in 1982, which made allowance for a better consideration of the quality cane and the quantity of extraneous matter and other circumstances relating to the delivery of canes to the factory, will remain in place in 1983 and subsequent years, unless the Government agrees to its modification or abandonment.

At a meeting of the Sugar Producers Association, I believe that a Resolution was passed insisting that the 1982 formula, which had created difficulties for some producers, remain in force for one year only. I am happy to relate that since that date the Sugar Producers Association has seen the wisdom of a cane price formula which helps efficiency and penalizes inefficiency in maintaining overall efficiency for the industry in the future.

The Government will continue to praise the industry for action in respect of improving its management and improving its organization, generally. We will also be looking at anomalies in the pricing of burned canes, and the whole question of the insurance of cane fields against fire, and we will, in conjunction with the Barbados Workers Union, be reviewing the industry's job classification which is now somewhat outmoded.
12.40 p.m.

That is the general outline, Mr. Speaker, and I believe I really in those few words, have touched on most of the matters on which honourable Members will wish to be informed.

But to go into slightly more detail, first of all dealing with the bonds, there are some potential investors in Barbados who will be attracted by tax-free bonds. There are, however, other investors who do not need tax free bonds, but would prefer tax payable bonds at a slightly higher rate of interest.

It is the intention, therefore, of Barbados Sugar Factories to issue the bonds in two tranches. One will be tax free — I would not like to speculate on the amount of the rate of interest, Sir, market conditions change from day to day, and since the Cabinet has considered this matter we have been in the fortunate position of being able to reduce rates of interest — the other will be taxable. These tranches will be issued at the same time or very close to each other.

Now, I mentioned the question of a sinking fund. It is intended that Barbados Sugar Factories be in a position to retire these bonds, especially, of course, if in the end they have to be converted into grants. Some will no doubt be paid out of repayments by the estates — those estates that do not improve their production, some will become grants, according to a formula which I will give the outline of in a moment.

But we can expect, Mr. Speaker, that we cannot go on for ever subsidising the retail price of sugar in Barbados, when we look at what it now costs to produce a ton of sugar. As I have said in here before, sugar must be the only locally produced article which is sold in Barbados at under its cost of production and very generally under the average cost of sugar throughout the world.

It is very misleading to take the "world price" of sugar alone, although it is possible to purchase quantities of sugar at the world price in years when that is favourable. Over 80 per cent of sugar in the world is sold at prices under particular marketing schemes so far above the "world price" that they hardly bear comparison. If you look around the world and see what consumers have to pay for sugar — in Europe, United States, the Soviet

Union and countries which it supplies in eastern Europe — we will realise that the price of sugar in Barbados is very cheap.

I have had on occasion to point out that sugar, a refined product, which has to go through a factory process involving a very great deal of labour, both at field level and factory level, is sold considerably cheaper than yams — (now of course a very much cheaper product than sweet potatoes), which only have to be dug from the field and taken to Bridgetown and sold — and there cannot be any case in Barbados of a manufactured article whose cost to the public has remained so low.

There will also be in the Sinking Fund interest collected on the loans to the sugar plantations.

Now, Sir, I said I would say something about the incentive part of the scheme, that is, the means by which these loans will be converted into grants. I do not intend to publish the entire formula, but, broadly speaking, the basis on which we are approaching it is to take 1982 as a base year. I do not want to anticipate the Sugar Industry Act, which may be debated today, or perhaps next week, but in that Act also, 1982 will be a base year for certain calculations.

For the purpose of this Act we intend it to be a base year. The production in 1982 will be noted. In 1983, any estate which does not produce as much as it did in 1982, and which received a loan under this scheme, will have to pay back the loan in full; but if it produces more, the amount which it pays back will be reduced according to the percentage by which it increases its production. If it produces a great deal more over the next two years and maintains the increase, the loan will be converted into a grant.

We think that this is most important, because we have seen two sugar industries in the Caribbean become not just bankrupt, but become quite terrifying charges on the taxpayers — these are the sugar industries of Jamaica and Trinidad — as a result of uncontrolled support prices.

In Trinidad, the sugar industry loses more money every year than it sells. In other words, their losses exceed 100 per cent of sales. If the sales of the Trinidad sugar industry total \$120 million, the industry loses \$200 million, or the Government in the end loses \$200 million, and the taxpayers suffer to the extent of \$200 million.

In Jamaica also, as I have been informed at length by the Prime Minister, Mr. Seaga, who has asked Barbados for help in demonstrating to the Jamaica sugar industry that even in these difficult days it is possible to keep afloat without the extravagances that have happened in that country. I think the figure given to me

was that it cost something like five times as much at factory level to produce a ton of sugar as it does in Barbados, and a considerable amount more to reap a ton of cane. Also, because many years ago the support price was guaranteed without any control on it, or without relating it to efficiency in the industry; the size of the quantity of production.

We also see, Mr. Speaker, that in the two major economic units of the western world — the United States and the EEC — that support prices for agricultural products, including sugar, can distort the world market and create quite terrifying blows on the taxpayers.

We do not intend to get into that particular problem in Barbados. We are not therefore making outright grants, we are making loans which are conditioned over a two year period on improving production in order to turn them into grants.

The situation in the last two years in the sugar industry in Barbados, Sir, has not been a happy one. The year 1982 — 1981 and in 1982, but in particular 1982 — has seen successive blows of one sort or another strike the industry and reduce our production to levels which, I must say, distressed me greatly.

I think that unless an incentive is introduced, we will face, not in 1983, and still less in 1984, but some time in the future, the same sort of situation that 1981 and 1982 have brought to us.

12.50 p.m.

The other principal points of the Bill, Mr. Speaker, are somewhat technical, and I can deal with them if I know what interest honourable Members have in them, after I have heard the speeches made from both sides of the House.

I do know that honourable Members will be very interested to identify some of the difficulties which the Barbados National Bank has been experiencing as a result of its financing of the sugar industry. Perhaps I can give the figures up to June 30, 1982, that being the end of the 1982 harvest year.

A total of \$70 million was advanced from the Agricultural Division of the Barbados National Bank to the sugar industry; \$19.6 million was advanced to plantations, that is for the expenses of harvesting; \$18.9 million was advanced to Barbados Sugar Factories Limited, that is for the expenses of milling the crop and producing sugar; and \$31.7 million was advanced to the Barbados Sugar Factories Limited for the purpose of paying plantations for cane as it came in.

The plantations, at June 30, have striven mightily in all the circumstances, and their outstanding sums were \$6.5 million. The factory loan, however, remained at \$13.1 million and the marketing loan at \$31 million.

The marketing loan is of less concern, even though it is the largest, because it is covered by the Central Bank, and it is repaid sometimes quite rapidly when overseas sales come in, and overseas sales are coming in all like now. It should not at this moment be anything like \$31 million. I have asked for the very latest figures to be produced and I hope to have them before the debate on this Bill is complete.

I have dealt with the loans to factories in another forum. Again, I do not want to anticipate matters that will come before the House, but the fact is that Barbados Sugar Factories have not had the cash flow this year that would enable them to do the substantial maintenance on factories that it is their custom to carry out, and some element of cost overrun on the new factory has made it difficult, indeed impossible for them to repay their operating loan.

But the Government is now in the process — indeed we have very nearly completed the process, and Parliament will have a chance to debate it very shortly — of raising a long-term loan to enable Sugar Factories to capitalise their overdraft — a long-term loan from overseas sources with, I must say, rates of interest which I consider very generous, and repayment conditions even more generous, when one considers that it is the sugar industry which is primarily being charged with repayment of the loan.

Careful control is being kept over the plantation loans, and the Bill now before the House will reduce the outstanding amounts by even more as the sums become due.

The amounts that I have just indicated earlier that were outstanding at June 30 are expected to be reduced by \$3.5 million as a result of this Bill, which will go into the outstanding debt, \$14 million for sugar factories in all, and \$27 million in funds that we are awaiting from the sale of sugar in the near future.

Of course, Mr. Speaker, although that would reduce the outstanding exposure of the Barbados National Bank to something like \$6 million, which is manageable — it is not nice to think that there should be any outstanding exposure, but it is manageable — yet we are in an on-going process, and the advance of cultivation loans at the present time is putting the Barbados National Bank under some strain.

It is not totally relevant to the Sugar Bill, Sir, but since you are bound to hear something about the

Barbados National Bank, I think that just in advance, before we open fire on the poor bank, I should tell honourable Members that during this year, as a result of very strenuous efforts made by all concerned, the position of the Commercial Division of the bank has been turned around, and where, for example, in the first six months of last year the Commercial Division of the bank lost \$1.8 million, in the first six months of this year it has made almost that sum, and we do think that with the recent redundancies at the bank, and the streamlining of the management, that we are well on the way to recovery.

Somewhere, the honourable Member for St. Michael South Central was quoted as saying that the bank has lost \$13 million or \$14 million, whatever it was. On one occasion the honourable Member astonished me by the accuracy of his information — I am always astonished to hear the honourable Member saying something which turns out to be almost literally true — but on the occasion when he said that it lost \$13 million or \$14 million, I think that he was blowing the horn a little louder than the facts warranted.

Nonetheless, we are trying to pull the Barbados National Bank together, and if the Agricultural Division is able to reduce its exposure in the way that I have suggested, there is no reason why the bank should not get out of its problems by the end of next year.

Mr. Speaker, I do not want to take up too much time repeating to the House things that I take to be fundamental truths, self-evident to all men of goodwill, but I think that it is worth saying, especially since I have been quoting the Governor of the Central Bank recently on the value of tourism, that agriculture does hold a very special place in the economy of any country, however small, however geographically disadvantaged, however densely populated or indeed however under-developed.

Tourism may indeed be a more stable industry than agriculture, and the facts, not just for the last thirty, but for the last fifty years, even covering the last War, will aptly demonstrate this; but agriculture has a special position in economic development. It is generally the industry with the greatest value added and which is most under the control of the domestic managers of the economy.

Tourism has a tremendous overseas content, the entire demand is generated outside the point of supply, and usually, there is an import content, both in the goods and services that have to be supplied by the tourist industry, that reduces the locally generated value of such an industry. That applies to Europe and the United States just as it applies to Barbados.

Agriculture, on the other hand, uses, as its primary factors of production, the local components of land, entrepreneurship and labour. Even with mechanised agriculture — the cost of mechanisation; even with well fertilised agriculture — the cost of fertiliser, does not add up to an enormous sum compared to the ultimate output.

The output of sugar in Barbados has a value added content of something like 90 per cent. In other words, if you make \$100 million out of sugar, you only have to pay out \$10 million in imports of goods and services to get that \$100 million. And I am quoting Barbados' figures.

1.00 p.m.

If you make \$500 million out of tourism, I myself, could not tell you how much has to go out in goods and services, because, although I have what I believe must be one of the largest collections of private literature on the subject, careful reading of Dr. Eaton, of Bryden, of the report of 1967. — (I forgot who wrote it, it was somebody who did not know what he was talking about) — all of this careful reading has never given me a basic understanding of the value added in tourism, but I doubt that it could be more than 60 per cent to 70 per cent.

Therefore, to earn \$500 million in tourism, you must anticipate that you may be paying out \$175 million to \$200 million, — maybe more. That is what is meant by value added. And it is not only the foods you import to feed the tourists, which is not a lot, despite popular belief, to the contrary, it is the outflow of the funds that go to the multinational chains, the monies that go to tour operators, travel agents abroad and the cost of maintaining tourist bureaus overseas. Those are the things on which you have to spend foreign currency to earn the tourist dollar.

Hon. H. deB. FORDE entered the Chamber and took his seat.

In manufacturing, Mr. Speaker, the import content is probably just as great, certainly around 30 per cent to 40 per cent, as it is in tourism. It is even more direct in manufacturing, because there you are talking about raw materials as much as anything else. Remittances of profits in the manufacturing sector do not appear to be so great as those in the tourism sector.

Therefore, in all probability to earn \$90 million of foreign currency that the sugar industry can bring into Barbados on sales of \$100 million, you might have to sell \$150 million in manufactured goods or have the same volume of tourist earnings.

There is also, Mr. Speaker enormous satisfaction in a country when it is able to be agriculturally self-sufficient. I just want to say a word about this — it has

to be said virtually every time I address the subject in the House of Assembly.

Agricultural self-sufficiency for Barbados can never mean producing everything that you eat. It can never mean it. There is no way that Barbados can do without imports of food, not unless the standard of living is to drop to the position of 30 years ago, as the *Economist Newspaper* envisages may happen if we have no tourism.

Those who talk about import controls do not understand that every import control is a reduction of your standard of living. Every time you control the importation into Barbados of something that people want to buy, you are denying people customer satisfaction, and that is what is involved in a standard of living.

Do not tell people they must not eat English potatoes; that yams are just as good. If people want English potatoes and they cannot get English potatoes, you have reduced their standard of living. Do not fool yourselves. Do not come with any sophistry. If the people want potatoes and you do not want to give them potatoes, accept the circumstance for what it is — that you do not want people to have English potatoes — but do not tell them that they are just as well off as they were before. (*Asides: What about marijuana.*)

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

Rt. Hon. J. M. G. M. ADAMS: Ask the honourable Member for St. Michael South Central about marijuana. I do not know anything about it. The honourable Member for St. James North will deal with that. I would not know it if I saw it. Ask the honourable Member for St. Michael South Central. He is closer to the wellspring of that, because I believe they are growing it in Barbados now.

But apart entirely from that, our biggest imports of food are of grain — wheat, rice, corn. We can grow corn. I doubt we can grow rice, except at enormous costs, and I doubt it would be economic to grow wheat. We must continue to import some food into Barbados.

Since this Government has come into power, we have reduced the necessity for importing chicken. We found the country that was producing less than seven million pounds of chicken a year; we now have a country that is producing 13 million pounds. We found the country that was producing three quarter million pounds of tomatoes; we now have a country that is producing two million pounds.

We can make an effort with local food production, but the need to have an efficient export crop will always remain, so that out of the earnings of sugar we can pay

for the rice, wheat, beef that cannot be economically produced in Barbados. (ASIDES: Tell that to the Minister.)

I am addressing my remarks to honourable Members on both sides of the House including those whom I do not now see to be in their seats as well as some of those who are.

A Government is a Government of competing interest, and a Minister has to put his department's case. I, myself, however, did not think there was any compulsion on the Opposition to put the bad case that I hear them putting sometimes.

I have heard honourable Members opposite say that the BMC should not be making a profit, that for the BMC to make a profit means it is not doing what it is supposed to do.

We have run the BMC for five years, and I do not really accept what the Chairman says, which is to the effect that only in the last 11 months the morale of the BMC has been turned around and so on, at least what the *Advocate* reports has said he said. I think he was talking about several years, for a few years before he became Chairman as well as the 11 months since he is Chairman.

Despite what has been said of the BMC, we have increased local food production and made the BMC profitable, and yet I hear honourable Members opposite say that the BMC should still be losing money.

I hear honourable Members opposite say that we should have import controls, and yet some honourable Members were critical of the Government when it was made more difficult to buy a stove, or fridge or motor car. It seems that we are dealing once again with an Opposition in which every man will play a part in his time.

I say without fear of contradiction, all import controls, except those sometimes imposed for balance of payments purposes, are erosive of a standard of living. And I will just mention something over and above that: all import controls imposed for balance of payment purposes are erosive of a standard of living.

And I will just say this, since it has become a question of controversy — I know it is a little outside of the Bill, but I am sure you will allow me the latitude — the International Monetary Fund has not made any new condition with Barbados relating to the impositions of import controls. It is part of the International Monetary Fund's policy, and has been for 20 or 30 years — the whole of its existence — that import controls are the wrong way to deal with balance of payment problems. It is not anything new. It has been going on for years.
1.10 p.m.

And I would just make another statement, which I think is useful to clear the air at the present time. In particular, the present import controls in Barbados can all be justified, both in the IMF's view and the Government's view, by factors other than purely balance of payment.

We have many import controls on the importation of garments, foods, many items, and many manufactured articles from outside of the CARICOM area. They are imposed for the purpose of protecting the local and the CARICOM industry. We do not overdo it, but we maintain some.

We have import controls on motor cars, not because the \$10 million or \$15 million would necessarily break the Government, but because we have reached the stage in Barbados where motor cars were becoming so far the greatest single item of personal bank credit, that people who wanted to borrow money to put together a business to employ Barbadians could not get money from the banks — the banks were preferring to lend money for motor cars.

I say to the honourable Member for St. Michael South, read the debates of 1976. He is so fond of my speeches, I really think that I should at some stage invite him to assist me in editing a collected volume of them. He is so appreciative of my arguments that I think he may remember them better than me. In a debate in the early part of 1976 you will see that I said, "Why should bank credit be extended to keep motor car workers in Yokohama and Coventry at work, instead of being extended to put Barbadians to work, and reduce unemployment in the country."

So the import controls on motor cars and on the foods which we control, and the manufactured items, especially garments, all have justification other than balance of payments.

I am very sorry for honourable Members or anybody else who do not understand the facts and the basis of both the IMF arguments and the policies of the Government of Barbados, who have rushed into print to trumpet their ignorance on what, fundamentally, would surely be a very unpopular issue, because I am sure the honourable Member for St. Michael South Central does not want me to tell the electorate in Brittons Hill, when they complain they cannot get a fridge, that it would be worse under him — he says the import controls are a good thing and that people must be stopped from getting a fridge or a car, or a consumer durable they want to get from overseas.

I am sure the honourable Member, in his haste to criticise the Government, could not have realized the ignorance that he was talking — and I don't mean that in

a pejorative sense, merely a descriptive one, Mr. Speaker — about the necessity for import controls.

If the honourable Member had given some serious thought to this matter, he would have realized that Barbadians have an aspiration towards the standards of living that exist in the United States, because we know the United States, and in the United States the only thing stopping you from buying anything that is made anywhere in the non-communist world may be a tariff barrier — nothing else except, perhaps some physical controls on food. Even if a manufactured article that is not produced in the United States, a competing article from abroad, can be bought as happily as anything else. This is what people want. And the export earnings of the sugar industry are the essential tools that the Government feels we must maintain in Barbados in bringing the possibility of full consumer satisfaction to our population.

A good deal of nonsense has been written about our sugar industry. I was appalled to see in the *Insight* magazine recently, the President of the Barbados Manufacturers Association being quoted, as if he is an authority on the future of the sugar industry in Barbados.

People that know nothing shoot off their mouths, get into print, and because of the positions they hold their words are quoted — people like the Shadow Opposition spokesman on Trade, people like the Shadow Minister of Finance. They have another opinion and, however foolish it is, they are quoted.

I do not want to put the needle into the honourable Member for St. Michael West in the circumstances, because nobody has ever quoted him. Rather they exclude him from the line-up!

Yes, Sir, this legislation now before the House, along with the two other arms of reorganization which the Government will be bringing to the House later on, will enable the sugar industry to survive. This is the Price Support Bill; we will be bringing a capitalization loan for Barbados Sugar Factories to the House for a guarantee, and we will be bringing the Sugar Industry Act, which will provide a formula to guarantee payments to the workers of the windfall profits in the industry without the necessity for protracted struggles in the years that lie ahead.

I am sure that no other honourable Member wishes to destroy Barbados' agriculture, wishes to see it turned into a desert, wishes to see the flat useable sugar lands of Barbados converted into the bush, grass, and derelict estates of some of our less fortunate brethren of the Leeward and Windward Islands.

I am sure we all want to see prosperity again for rural Barbados, and while it is a bit too much to ask the Opposition to give an endorsement to the useful agricultural policies of the Government, which have expanded food production so enormously, at the same time is attempting to maintain sugar production, yet I think that in our hearts all of us are proud of the achievements of Barbados' farmers in the last five or six years.

These achievements of course, Mr. Speaker, go unrecognized unless politicians, who are fairly independent, and a fair distance recognize it; because no farmer is ever heard to say that he is doing well, no farmer has ever been heard to say that he is enjoying prosperity.

When a farmer makes a half million dollars from sweet potatoes you don't hear about that you hear about the hundred thousand that he lost on sugar, or the quarter of a million he lost on sugar. When a farmer sells two fields of cabbages at \$4 000 each you hear that he is unable to pay back the bank for the sugar loan that year.

But the fact is that there has been a lot of food production in Barbados, and that with this Bill, and with others, we will be able to bring sugar back up to par.

It was only two years ago, Sir, that we produced 135,000 tons of sugar; only two years ago. By 1984, it is the Government's hope, granted good weather, that we will meet or exceed that target with the aid of the incentives that will be put into place after this Bill has been passed. And we look forward to meeting the target of 150 000 tons of sugar, and hope to have it in position at the same time as there is a recovery of the sugar price, which will inevitably happen within a not too greater number of years.

Mr. Speaker, Sir, there is just one final point. I really do not know if honourable Members are going to want to have details of the plantations, what they owe the bank, and what their general situation is.

These details are not secret. When the Barbados National Bank advances money to a plantation, it has to be registered in a book at the Registration Office and it can be inspected by members of the public. The financial position of a plantation, *vis-a-vis* loans advanced under the various Acts for the assistance of sugar, has, by law, to be an open one.

Nonetheless, I would very much hope that honourable Members will not expect me to go into the actual accounts of each plantation. They may be publishable; they may be referred to by honourable Members, but on

the whole, I think it is better....if you have something good to say about plantations, say Mount Gay is a well-run plantation, which, according to the figures, it appears to be.

But I hope that honourable Members will not want to drag down individuals or discuss particular people's estates, even although the information is published in a form which the public can have access. I would like to think the House of Assembly is not going to reduce a debate such as this into the personal fortunes of individuals in the sugar industry, or even indeed in the Barbados National Bank.

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

Hon. Dr. R. L. CHELTENHAM: I beg to second that, Mr. Speaker, and reserve my right to speak.

Dr. R. C. HAYNES: Mr. Speaker, firstly, I believe I should declare my personal interest in this matter, although I do not think I am under any obligation to do so — Barbados Sugar Factories Limited being a public company.

For some strange reason I have received correspondence indicating that I am a shareholder in Barbados Sugar Factories Limited. I do not hold any shares, I do not know how many shares I have inside there — I have never been involved in Barbados Sugar Factories Limited — so I do not know on the basis of which I am a shareholder in Barbados Sugar Factories Limited, but just to maintain the integrity and the high practices of this Parliament I thought I would say so at the very beginning.

Now, Sir, this Bill sets out as its *Objects and Reasons* the establishment of a fund to support the price of sugar and for related matters.

What the right honourable Prime Minister and Minister of Finance has said indicates that the sugar industry in Barbados today is in very serious trouble. Not only is it in trouble as an industry in itself, but it has brought severe pressure on a major banking institution in Barbados, namely the Barbados National Bank.

It is in these circumstances, Sir, that the Government of Barbados now seeks to supplement the external price support mechanisms, which have sustained the sugar industry in Barbados for many years, with a domestic price support mechanism.

Sir, given the prevailing circumstances not only of the sugar industry locally but of the prices of sugar externally, the existing world stocks of sugar, it is my considered judgment that the method being used by the

present Administration to provide a price support policy will eventually be borne by the taxpayers of this country.

Sir, it is very likely that the sugar industry will have a bad year in 1983, and a high probability, even if our production goes up in 1984, judging by the prevailing levels of sugar stocks, that prices will probably not rise very much in that year.

But, Sir, it is important to understand what has been going on in respect of demands on the people of Barbados to support a mismanaged sector of the economy. There has been a persistent lobby in this country over the past two years for a devaluation of the Barbados dollar by sugar interests, selfish sugar interests, who feel that because of the relative values between the U.S. dollar, to which we are tied, and the units of account in which sugar is paid under the E.E.C.....

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I need Your Honour's guidance on the position of misleading and untrue statements. I want to say quite categorically that nobody in the sugar industry has ever made representation to the Barbados Government for the devaluation of the Barbados dollar. That is an outright lie, Sir, and I am Minister of Finance. How do we deal with a statement which is so misleading and untrue?

Mr. SPEAKER: I cannot accept the use of the term "outright lie".

Rt. Hon. J. M. G. M. ADAMS: I am sorry, Sir, I withdraw the phrase that it is "an outright lie." How can I deal with it? It is a dangerous and misleading statement designed to damage the credit of Barbados abroad, designed to bring about the very damage which the honourable Member envisages. It is not the only statement he has made, he is trying to destroy the Barbados dollar. Why should we allow the House of Assembly to be a vehicle for this mischievous and misleading and false information? He is trying to destroy the dollar. How can I, on a point of order, deal with statements that are so untrue and misleading?

Mr. SPEAKER: Point taken.

Dr. R. C. HAYNES: Mr. Speaker, I have said that there has been a substantial lobby for the devaluation of the Barbados dollar. Whether the Government was approached or not, I do not know, but I know..... (Asides). I am saying there has been a lobby in this country. It is as simple as that. That, Sir, would mean additional Barbados dollars but would have other adverse effects on the economy. Now, that is one area.

There has also been a proposal that the people of Barbados should support the industry by means of a sur-

charge on the U.S. dollar in respect of imports into this country. I think the suggestion was a 2.5 per cent surcharge, or tax if you like, as is charged in some eastern Caribbean country in respect of exchange rates, which would yield some \$25 million, roughly the amount assessed would be required on an annual basis over the next two to three years for price support.

These have been two suggestions, Sir, which I know have been canvassed by the sugar industry in Barbados. Whether any other Member on the other side wishes to deny that, he may do so; but the fact is that both of those proposals would have eventually placed a burden on the taxpayers in order to support the sugar industry.

1.30 p.m.

This third alternative proposal before us today, Sir, is essentially not different, and perhaps will have similar consequences, because there is the eventual guarantee by the Government of Barbados, and, in the second instance, once the money is raised domestically, it is going to involve the transfer of resources from other sectors of the sugar industry, obviously creating problems there when there is a shortage of available cash within the country.

So these three facts have to be borne in mind — that all three alternative proposals that I have heard canvassed have implications for the taxpayers of this country.

Now, Sir, people look at incentives in agriculture from different perspectives. I strongly believe that the moment you get into the area of incentives, into the area of a price support policy, there are two essential ingredients that should be very closely examined. One is the question of land ownership in Barbados and the second one, Sir, is the question of land usage, because you are moving into a completely different area now, when the Government itself is making use of the Consolidated Fund of this country to give security for bonds, when there is a reasonable chance that there will be a default on these bonds bearing in mind the economic situation in Barbados.

Now, Sir, the Minister of Finance was very careful not even to try to give this Honourable House any indication of the interest rates that he envisages he will have to pay for these bonds, nor indeed the interest rates at which that money will be on-lent to the various people within the sugar industry, whether or not he anticipates that the yield from productivity would be sufficient to repay capital and interest, or whether or not the Treasury of Barbados would be taking up the slack in those instances.

X Sir, I am fundamentally opposed to this Bill in many important areas. First of all, Sir, there is the question of giving Barbados Sugar Factories Limited the responsibility for the management of this exercise in raising bonds in Barbados.

X I think that the managers of Barbados Sugar Factories have done a great disservice to this country, have been incompetent and should be dismissed before there is any consideration whatsoever given to any domestic price support in Barbados.

I say that with all the seriousness that I can convey for two reasons: it is not only the fact that external sugar prices have fallen — that is a very important factor, but we have an element of protection there because we sell in protective markets most of our sugar — but the people responsible for the sugar industry in this country have done nothing over the years to improve the morale within the industry, they have done nothing to enhance the value of the worker within the industry, and a large amount of the monies owed to the Barbados National Bank never went into sugar.

✓ There was a time, Sir, when there was a Sugar Industry Agricultural Bank in Barbados with those responsible performing a monitoring function to ensure that loans made by the Sugar Industry Agricultural Bank were properly applied in relation to sugar.

X But we just have to face the fact that, and I want to look at the positive side first, there are large corporations in Bridgetown which have sugar interests, and far from bleeding public institutions like the Barbados National Bank, they from time to time have exercised an element of credit to their estate sector, and often the decision has been questioned by their shareholders.

On the other hand, you have, for instance — and this is due to bad directions by the Minister of Finance in relation to the handling of sugar loans by the Barbados National Bank — the Barbados National Bank, since it took over that responsibility, acting only as a post office — I want to repeat that — it has acted only as a post office in relation to loans advanced to the sugar industry.

These arrangements have largely been made between the Minister of Finance and the Central Bank of Barbados, it passes through the accounts of the Barbados National Bank and these funds are largely deposited in commercial banks.

So as far as the subsequent use of those funds was concerned, not only was it totally incorrect and a complete lie, a total lie, a wicked lie on the personnel

of the bank for anyone — anyone, Sir, no Member of this Honourable House.....

Mr. SPEAKER: I just warned the Prime Minister that I was not accepting the use of the word "lying" when he rose on a point of order. I cannot now entertain it either in your case. So, please!

Dr. R. C. HAYNES: I withdraw, Sir.

It was very incorrect to say that the Barbados National Bank or any officer within the Agricultural Division of the Barbados National Bank was delinquent in respect of the supervision of an operational loan made to Barbados Sugar Factories Limited.

Sir, if that was the case, then the duty of the Minister would have been to initiate legal proceedings under Section 33 of the Barbados National Bank Act, which makes it an offence, a serious offence, for anyone to make a loan from the Barbados National Bank and use it for any other purpose.

In other words, Sir, the Minister of Finance, if he believed what he was saying, had a duty to take legal steps. But I suppose that he made an error and exposed his ignorance of a major matter that comes under his portfolio.

1.40 p.m.

Sir, I would like to refer to another matter. Many of those loans made to plantations, firstly, have been used to keep race horses, they have been used, Sir, to finance holidays, to pay for the education of their children abroad, they have been used to finance businesses in Bridgetown, because it suits them to get loans at a concessionary rate rather than paying the high interest rates prevailing in Bridgetown, so that you can have a situation where you have a run-down plantation with falling productivity and yet increased loans through the Barbados National Bank.

So when we are thinking in terms of a price support policy that has implications for the taxpayers of Barbados, then there must be mechanisms to ensure that any monies forwarded to any plantations in Barbados would be used for the purposes for which they have been drawn, that is, for the purposes of the rehabilitation of the sugar industry in this country.

I am saying this — the senior persons in the sugar industry in this country have known for years of this major abuse of sugar loans which, in fact, have got worst since the closure of the Sugar Industry Agricultural Bank and with the entry of the Central Bank into the financial operation over the years.

So the industry itself has been doing a tremendous disservice to this country by not making full use, in terms of sugar, of the money which they have been borrowing through the Barbados National Bank.

Now, Sir, another major area of scandal. I think the Portvale situation up there, which the honourable Prime Minister glossed over, is so serious that it must be ventilated in this Parliament — and these are the very people who you are entrusting with the responsibility to raise bonds, probably up to \$20 million to \$25 million, guaranteed by the Consolidated Fund of this country. I am saying here on the Floor of this House that it was a catastrophic error to have gone ahead with the building of Portvale Factory.

Sir, what do we have before us? We have before us declining world prices in the area of sugar. We have before us, Sir, declining productivity at home. We have before us, Sir, an international recession, which would inevitably affect primary producers, particularly of a product like sugar. You have, Sir, a situation where a company has a cash shortage.

Now, Sir, given those factors it is utter madness, and it cannot be construed as otherwise, to have gone ahead and spent that money on Portvale Factory, which is not only one of the reasons why the industry has been plunged further into debt, but for a long period it would continue to have a depressing price for the primary producer, because the manufacturing cost would have to be taken into account when the amount paid to the primary producer is considered, and also it will have a depressing effect in wages paid in the sugar industry in Barbados.

I am saying here that Barbados Sugar Factories Limited had alternative proposals available to them. I am saying they had a proposal whereby they could have spent \$3 million on Porters and the combination of Porters and Haymans would have been enough to cope with the reduced crop in the North.

I say here that they had an alternate where they could have upgraded Vacluse — I think this had a major problem with its boilers — and probably for an expenditure of another \$4 million in the following year they could have had two working factories.

And if there is any evidence of the status of Porters and the equipment of Porters; if you look to see the extent that was cannibalised in order to place the same Porters equipment into Portvale, then you will realise the extent to which this country has been badly served by Barbados Sugar Factories Limited.

They went ahead and did that despite another third bit of advice they had from technical people. They were told that they could not possibly complete the building of that factory in one year, that even if they rejected the other two alternatives and they intended to build Portvale, then they should stretch it out over a two year period.

As it is, Sir, you have a massive capital investment up there. You are paying interest on that money. The production from it — I cannot remember how many tonnes of sugar — I think between five and fifteen — 25 tonnes? — not much more than that anyhow, a tiny production of sugar this year, and that will remain idle now as the interest piles up into next year.

Can these people be taken seriously, Sir? Can these people be taken and considered as planners for an industry which the right honourable Prime Minister has said is so fundamental and so important to the economy of this country? I certainly would say this, that there should be an independent authority. Even if this loan, even if this bond issue is being supported by this Parliament and voted for, there should be an independent authority handling this money.

I regret, in a sense, that this Bill came before the Sugar Bill, because the proper approach to the matter, in my view, would have been to allow us to ventilate our positions in relation to sugar, to examine the various alternate plans available to Government in terms of the development of the sugar industry, and then we would be in a better position to see what this is all about.

But what has happened to the honourable Minister of Finance is that he has found himself in a situation where he has been misleading this country, misleading this country, by telling them that they have brought back all this idle land into sugar production over the years.

When you look at the statistical data, nothing of the kind was happening, and if you were to exclude the ADC lands you are probably worst off than you were in 1976. And that folly, Sir, of misleading the country, that was compounded by many statements made by the sugar producers in Barbados.

Remember the Budgets, Sir, of 1978, 1979 and 1980? How wonderful everything was going in the sugar industry? And then, all of a sudden you found that the industry is rotten through and through, and you are virtually faced with a major rehabilitation process.

But you see, in economic matters what you say today and tomorrow will be backed up by what is evident in two or three weeks time or two or three months time.

Just look at the Central Bank's statistics on the number of hectares under sugar production. Look at the

amount of tonnes produced. Look at the production per hectare. You will see that over the years what you have been getting is a comprehensive misleading of this country in relation to the health and the status of the sugar industry.

1.50 p.m.

Much time has been spent on the Barbados National Bank. I do not propose to do that. Everybody in Barbados knows the extent of the losses of the sugar industry, and only a few weeks ago, when, in a *sotto voce*, I said losses of three to four million dollars, it is in the record of this Parliament that the Right honourable Minister of Finance said that he was waiting for the auditors' statement and he was looking forward to contradicting me by a substantial amount. Well, he has done so today — one hundred per cent, from \$3 million to \$6 million. It was 5.9 the other day and today it has gone up to \$6 million. He has done so.....

Rt. Hon. J. M. G. M. ADAMS: On a point of order. I have never said that the bank has lost \$6 million today. I have never said so. I have said that the exposure of the Agriculture Division will amount to no more than \$6 million. The bank had never lost \$6 million dollars, neither in a year nor, I believe, in two. I have never said so today.

Dr. R. C. HAYNES: Well, Sir, I have looked at that debate and I saw the statement that the Right honourable Prime Minister would be looking forward to contradict me. But, you know, the question of bank statements, Sir, and the question of exposures and so on — that is a matter that comes out in time again.

I could make certain statements from the Floor of this House now. I could talk about a North American bank and so on, but I do not really think it is in the interest of the country. I will leave matters where they are.

It is important to understand that what we are doing here is that we are, in fact, increasing the national debt of Barbados to the extent of this bond issue. It is \$20 million to \$25 million; that is important.

Now, according to various conventions, Sir, you have a government debt which is a direct charge on the Consolidated Fund, and you have a whole heap of contingent liabilities; whether it be to the Barbados Light & Power Company, whether it be to the Barbados Development Bank, or whether it be to the IDC, they constitute contingent liabilities.

Our practice and convention in Barbados — I am not accusing the honourable Minister of Finance of doing anything that is dishonest — I would never do a thing like that — all I am saying is that unlike Mexico, for example, when you hear about Mexico, or in a way

billions and billions of dollars, that is not only government debt, but that is all the contingent liabilities relating to government, various provinces and various local authorities and so on right through the country. But here, our convention is not to include these contingent liabilities. But in point of fact, when you are investing in a situation where there is grave doubt as to the future of the industry, I think that we have to seriously consider this to be a further escalation of the national debt of Barbados.

Again I will ask, and expect an answer from the honourable Minister. What rate will this money be on-lent to the sugar industry, and if there is any difference, who is going to pay for it — whether the taxpayers will be called upon to pay for it, or when there is time for the redemption of the bonds, whether we will just come inside here and say we need X amount of money....just postponing the day when the taxpayers will be putting up the money.

Now Sir, it would be my considered judgment that the Government, pending a definitive agricultural policy, should not be getting involved in any long term arrangement of this kind; that they should be seeking a much more short term method of dealing with the need to find money, now, to finance the sugar crop.

They have done it before. They have made full use of the Central Bank's facilities before —and I am not saying that they should not, don't get me wrong — but they have found means before to deal with short-falls in relation to the crop financing of the sugar industry.

And I believe that there is enough time for a further study to be done of the direction in which the sugar industry is going. For example, Sir, there are many people who believe that it is a mistaken policy to seek to produce 150 000 tons of sugar a year and to bring marginal lands into production.

There are people who feel — and I talk about people who understand the industry; their views might be wrong, their views might be as wrong as the views of the Minister of Finance — but there are people who feel that it is better to concentrate on 100 000 to 115 000 tonnes in order to deal with one major problem facing the industry. And that major problem is to make sure that you can produce sugar at a price that is greater than what you get when you sell it; that is, that the industry would be basically profitable.

Now, Sir, complementary to that is the view that the marginal lands in Barbados can be used as foreign exchange savers by producing, with more emphasis on cash crops, and can probably, Sir, increase your foreign exchange earnings because the surplus can be abroad with the appropriate marketing techniques.

All I am saying is this — that there is an alternative approach to the sugar industry in Barbados, which might not make it necessary to have any price support policy, except for this year, but at the same time, the overall impact, in terms of land use in Barbados, could be as effective.

Therefore, the right honourable Prime Minister has not even thought it fit to let this Honourable House know the kind of policy context in which he is bringing this domestic price support policy, because, you see, once you start doing this kind of thing At the moment, I gather that 30 to 40 hotels in Barbados are having problems with the Barbados Development Bank in meeting their capital repayment and the interest. I gather they are also having problems with the commercial banks, almost all of them. So you might find yourself this year supporting a privately-owned sugar industry, by and large, and next year you might find yourself supporting some other industry. It is a precedent you have to be very careful about.

You see, you have to listen very carefully to the words of the right honourable Prime Minister. Here we are talking about a sugar price support policy. He is talking about an agricultural price support policy in relation to the United States and in relation to the European Economic Community and so on. The two things are not necessarily the same.

2.00 p.m.

The only thing that is the same is the domesticity of the support mechanism, but this is strictly related to one industry, and in point of fact, it might be necessary to look at the totality of the agricultural sector before we get involved in any permanent arrangement like this, because, make no mistake, Sir, once they are locked in, once they raise this 20 million or 25 million dollars, you are talking of many, many years to come, in the face of the losses last year, the losses this year and the expected losses next year.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: If the honourable Member will give way for a moment, it is now five minutes after two. I am quite sure, now that the honourable Member is in full strength, that he will be going on until about 5.00 or 6.00 this evening, because he has all the answers to all the problems in the entire world.

I therefore beg to move, Sir, so as to give a rest and get more information, that this sitting be now suspended until 3 o'clock for lunch.

Hon. Dr. R. L. CHELTENHAM: 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.

Hon. L. S. CRAIG: Mr. Speaker, with the pleasure of the House, I would like to go back to Orders of the Day, Order (g), in the light of the fact that I have some notices to give. The papers came rather late, Sir.

Mr. SPEAKER: If there is no objection. (*A Pause*)
No objection.

PAPERS LAID

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I am commanded to lay the following:

The Civil Establishment (General) Order, 1982.

The Civil Establishment (Teachers) (Amendment) Order, 1982.

The Civil Establishment (Part-time Officers) Order, 1982.

These are the Public Service salaries for the forthcoming two years, and it is intended that they be debated next week, Sir.

Hon. L. S. CRAIG: Sir, I beg to give notice of the following Resolutions:

A Resolution to approve the new rates of pay for the unestablished staff and casual employees.

A Resolution to approve the new rates of pay for teachers in the Older Secondary Schools.

A Resolution to approve the Civil Establishment (General) Order, 1982.

A Resolution to approve the Civil Establishment (Teachers) (Amendment) Order, 1982.

A Resolution to approve the Civil Establishment (Part-Time Officers) Order, 1982.

QUESTION TIME

Hon. L. S. CRAIG: Sir, at this point I would like to deal with Question Time. I beg to move that Question Time be now taken for 15 minutes.

Mr. SPEAKER: For not more than 15 minutes. It is now Question Time.

QUESTION RE BARBADIAN SEAMEN

Mr. SPEAKER: Question No. 11, standing in the name of the honourable Member for St. Michael South.

Mr. L. E. SANDIFORD: Mr. Speaker, Question No. 11 reads as follows:

“To ask the appropriate Minister:

Is the Minister aware that Barbadian seamen are finding it increasingly difficult to obtain recruitment to merchant navy ships? In view of the important contribution that such seafarers have traditionally made to the economy of Barbados, will the Minister make a statement on the situation? Will the Minister indicate what plans he has for improving the lot of such seafarers?”

Hon. L. S. CRAIG: Mr. Speaker, the Reply to Question No. 11, asked by the honourable Member for St. Michael South, is as follows:

“The Question asked by the honourable Member was directed to “the appropriate Minister”, and since the Question touches upon matters relevant at least to the Ministries of Finance, Labour and Transport, it is not possible for any given Minister to respond in the absence of a more specific line of enquiry.”

Mr. L. E. SANDIFORD: A supplementary, Mr. Speaker, supplementary No. 1. Now that the Minister has admitted that the entire Government is incapable of putting together an answer to a Question which touches more than one Ministry, would the Minister admit that very little is being done to benefit the seamen of this country who make an important contribution to the economy of the country?

Hon. L. S. CRAIG: Sir, I would like to direct that question. The answer which I would give is that it should be directed to the Minister of Labour, Sir.

Rt. Hon. J. M. G. M. ADAMS: A supplementary, Sir. Will the Minister accept the congratulations of honourable Members of the House that he has struck a blow for the proper direction of questions in accordance with the best parliamentary practice, both previously in Barbados and presently outside Barbados?

Hon. L. S. CRAIG: Sir, the answer to that is Yes, Sir.

Mr. B. M. TAITT: A supplementary, Sir. Will the Minister also accept that notwithstanding the blow struck for parliamentary democracy, or whatever the Prime Minister called it, that the Government has not been able to strike a blow for the proper welfare of the thousands of Barbadian seamen who are suffering as a result of the inability of the Government to formulate a policy relating to the particular group of people who are citizens of Barbados?

Mr. SPEAKER: Not a proper supplementary.

Rt. Hon. J. M. G. M. ADAMS: A supplementary, Sir. Will the Minister remind the House that seven years ago when the present Prime Minister was merely the honourable Member for St. Thomas, but was acting as general counsel for the local branch of the National Union of Seamen, he addressed Parliament requesting the then Government to make provision for entering into a national insurance scheme in conjunction with the British Government to cover Barbadian seamen on British ships?

Hon. L. S. CRAIG: I remember that very well, Sir, and I have always commended my colleague for that.

Mr. B. M. TAITT: A supplementary, Sir. Is the Minister in a position to tell us whether the then honourable Member for St. Thomas, who is now the Prime Minister, since becoming Prime Minister has been able to do anything about the recommendation he made then?

Hon. L. S. CRAIG: I am quite sure that if the Prime Minister was under that impression, he is still giving it careful consideration. (Mr. B. M. TAITT: Seven years later?)

Mr. L. E. SANDIFORD: A supplementary, Mr. Speaker. Will the Minister admit the bankruptcy of the Government in its inability to answer specific questions related to a body of workers in this country?
3.10 p.m.

Hon. L. S. CRAIG: Mr. Speaker, in the first place the Government does not answer questions; the Ministers answer questions. However, I can assure him that there are no bankrupt ideas in the Government and the Government is still afloat and doing a very good job in spite of the international recession and the problems confronting the entire world.

Mr. B. M. TAITT: Supplementary, Sir. Will the Minister undertake to ascertain from the Minister responsible for Shipping whether he has any plans for the welfare of the seafarers of Barbados?

Hon. L. S. CRAIG: Yes, Sir. I am prepared to ascertain that from my colleague some time during the sitting.

Mr. B. M. TAITT: A further supplementary, Sir.

Mr. SPEAKER: Please. The honourable Member has had his quota.

Mr. L. E. SANDIFORD: Mr. Speaker, is the Minister aware and conscious of the fact that Barbadian seamen and their families will be extremely disappointed at the cavalier manner in which the Government and the Ministers in this House have dealt with a question relating to their welfare?

Hon. L. S. CRAIG: Mr. Speaker, I really do not know if the persons involved would have the same opinion as the Acting Leader of the Opposition and consider it a cavalier manner. It is only a matter of opinion. However, I can assure my colleagues on the other side that there is a Shipping Bill before Parliament, and I believe that is why I gave him such answers, because he, himself, is aware of the Shipping Bill. I would not say that he is ignorant of what is going on. There is a Shipping Bill before us and I think my colleagues on both sides are well aware of it.

Mr. L. L. SISNETT: Supplementary, Sir. Is the Minister aware that the seafarers of Barbados are suffering only because of the worldwide recession and the slump in international shipping?

Is the Minister further aware that a number of companies which formerly offered employment to Barbadian seamen on 47 vessels now only offer employment on 15 vessels because of the international recession which has caused those companies to sell out their sailing stock?

Is the Minister aware that the plight of the seamen of Barbados has nothing at all to do with the Government, but rather with the international recession which most countries are facing?

Mr. SPEAKER: I would like to answer that the Minister is so aware, but that is a three-in-one blow dealt the Minister.

Hon. L. S. CRAIG: Sir, I am not aware of all of these facts, but I am very grateful to my colleague on my right, because he has now enlightened the entire House. I am very grateful to him.

Rt. Hon. J. M. G. M. ADAMS: Another supplementary. Will the Minister agree, if he is aware, that a few weeks ago the Minister of Transport and Works was able to find employment for some twenty seamen who went to work on a Yugoslav boat owned by a company which is shortly to be registered in Barbados; and that the Minister of Transport and Works has been strenuously, despite the international recession, trying

to find jobs for seafarers; and that the new Shipping Act will bring shipping to Barbados which will make jobs domestically available to seafarers which they could never get before?

I know it is a three-in-one, but it is my last supplementary, so I have to fire all three guns.

Mr. SPEAKER: I take it you are referring to Barbadian seafarers.

Rt. Hon. J. M. G. M. ADAMS: Barbadian seafarers will now be able, as a result of legislation passed under this Government, for the first time to get work here locally, and not depend on foreign-owned ships.

Hon. L. S. CRAIG: Sir, I am aware, because I was in my seat on the occasion when I think my colleague, the Minister of Transport, made a comment, and again I take pleasure in lauding him in the interest of Barbadian seafarers — unlike the other Government which really did not have any regard for them at all.

QUESTION RE SOIL EROSION AT FITTS VILLAGE ST. JAMES

Mr. SPEAKER: Parliamentary Question No. 12 stands in the name of the honourable Member for St. James South.

Mr. N. K. SIMMONS: Mr. Speaker, Question No. 12 reads as follows:—

To ask the appropriate Minister: Is the Minister aware of the serious soil erosion taking place on the Beach at Fitts Village in the parish of St. James? 2. Is the Minister also aware that there is a groyne adjoining the premises known as "Beach Village Hotel" together with an accumulation of sand to the North of the said groyne which is causing considerable obstruction to beach-users? 3. If the answers to the above are in the affirmative, would the Minister take steps to cause the obstruction to be removed so as to ensure the right of free passage of persons lawfully using the beach?

Hon. L. S. CRAIG: Mr. Speaker, the Reply to Parliamentary Question No. 12, asked by the honourable Member for St. James South, is as follows:—

"The Government at all times monitor obstructions on the beaches of Barbados to ensure that free access to such beaches and along the beach is maintained according to law. Engineering studies are also being conducted around the Island to examine the movement of sand on all beaches."

Mr. L. E. SANDIFORD: Supplementary, Mr. Speaker. Is the Minister aware that the residents at Fitts

Village in the parish of St. James, who own property adjoining the Beach Village Hotel and the beach which has been eroded, and on which the groyne has been established, are very concerned and worried and need representations from the Government in order to correct their plight?

Hon. L. S. CRAIG: Mr. Speaker, I represented the whole of St. James for some 15 years and I am aware of all the difficulties of all the people in St. James in relation to beach erosion, but this is not only a problem in Barbados.

When I was in the Ministry of Lands, I am quite sure that we had been having the problems from the whole of the south coast and along the west coast, and in particular in St. Philip at the Crane. We are all aware that we have lost the entire Crane Beach, to put it that way.

I am well aware of all of these problems, but I think he gave a proper answer — that there is a study being carried out, and it is nothing that you can do overnight. I believe you read what you asked just now in the paper this morning, it was stated by Dr. Jill Cambers.

Now that your colleague's thoughts should be together, let him ask one. I would like to hear the honourable Member for St. James South.

Mr. SPEAKER: The honourable Member has asked you about the west, but the honourable Member is answering about the east.

Hon. L. S. CRAIG: Is the honourable Member for St. James South asking a question? Life plays some funny tricks.

3.20 p.m.

QUESTION RE: ROADS IN ST. PHILIP SOUTH

Mr. SPEAKER: Parliamentary Question No. 14 stands in the name of the honourable Member for St. Philip South.

Mr. H. A. BLACKMAN: Mr. Speaker, Question No. 14 reads as follows:—

To ask the Minister of Transport and Works:

1. Is the Minister aware that Berlin Road, Woodbourne and Sea View Roads towards Hareville in the constituency of St. Philip South are in a dire state of disrepair and that they become impassable whenever there is a down pour of rain?

2. Would the Minister indicate what steps he proposes to take to remedy the deficiencies and would he also state when he proposes to take such steps?

Hon. L. S. CRAIG: Mr. Speaker, the Reply to Parliamentary Question No. 14, asked by the honourable Member for St. Philip South, is as follows:—

1. The Ministry is aware that Berlin and Seaview Roads were in need of repairs.

2. Such repairs were done in the July — September quarter.

I hope the Minister will do something in St. James, where he has his colleague sitting. But we help the Opposition. That is how we operate. In the July/September quarter you got good roads. Forty million dollars is not anything.

Mr. L. E. SANDIFORD: Mr. Speaker, a supplementary. Would the Minister indicate why it has taken so long to answer this specific question which was asked on February 23, 1982?

Mr. SPEAKER: It is not a proper supplementary.

This brings us to the end of Question Time.

Government Business is the Instant Order of the Day. When the Suspension was taken, the honourable Member for St. Michael South Central was addressing the Chair.

Dr. R. C. HAYNES: Mr. Speaker, this Bill before this august Chamber, as I have indicated earlier, has serious implications. Now I have pointed out that the structure of the industry and the current situation is one that makes it very likely that this will become an actual liability to the taxpayers of this country, and that no one can foresee the eventual outcome because of the domestic and international problems relating to the sugar industry.

But, Sir, this is an industry, and this is why I am setting forth that I am very unhappy about giving the kind of responsibility to Barbados Sugar Factories Limited which this Bill does.

For example, Sir, we have heard again and again and again a statement that is completely untrue — that wages paid to the sugar workers in Barbados have been a major factor in the increasing cost of production.

The same Barbados Sugar Factories Limited, Sir, has, had the McGregor Report available to it, and in this Report it points out that contrary to popular belief wages as a component of cost has remained relatively constant over the years. Sir, they have had researched documentation by the Central Bank of Barbados available to them and I will refer to a document on the economy of Barbados, which I do not have with me now, published on its 10th anniversary — I did not come prepared for

this debate, but nevertheless I have studied this problem very thoroughly over the past six months, very thoroughly indeed — and far from an increase factor in cost, all the evidence points to the fact that the wages of sugar workers has declined in real terms, as distinct from normal terms, over the years, even when compared with non-skilled labour in other areas.

I would be concerned as to whether an organisation that has always taken this kind of attitude to the workers, such as sending them home, to make the point that the Prime Minister must make money available to them, whether they should be entrusted with money should redound to the welfare of the workers of this country in terms of employment and in terms of generating increased wages to meet the increased cost of living in this country.

They would also, Sir, try to perpetuate the idea that the sugar levies in Barbados over the years represent the net extraction from the sugar industry. That is simply not true, Mr. Speaker.

My research has led me to discover some interesting things. Until 1968, under the Commonwealth Sugar Agreement, the component of the levy was in fact paid by the importer — and not paid locally. In other words, it was part of the cost which sugar obtained under the Commonwealth Sugar Agreement.

Since 1968, the main burden of those levies has fallen on the growers of cane and the workers in the sugar industry. And the Minister of Finance in this country stealthfully unknown to the public, not brought before this Parliament, proceeded to agree to recommendations made by Barbados Sugar Factories Limited, in the form which I have here, in a Cabinet Paper abolishing those levies.

That decision was taken in September, 1980 at a Cabinet Meeting where they sat down, Mr. Speaker, and abolished the Capital Rehabilitation Reserve Fund Levy, the Price Stabilisation Reserve Levy, and the Labour Welfare Fund Levy. They abolished those funds. Where has the money gone?

The right honourable Prime Minister has given the impression that this is the first time that money is being taken up in order to subsidise the sugar industry. I am saying that this was done surreptitiously last year, and up to now no debate has taken place in this House as to what has happened to those funds.

The total amount of the funds, Sir that was available for disposal, according to this paper, was somewhere in the region of \$24 million. I already made it a document of the House sometime ago, I can do so again if it is necessary, but what it does show, Sir, is that as a

consequence of the abolition of the Capital Rehabilitation Reserve Fund Levy the industry would make a substantial.....

3.30 p.m.

Mr. SPEAKER: What is the document from which you are now quoting?

Dr. R. C. HAYNES: The document is entitled 'Ministry of Finance and Planning, Government of Barbados, Headquarters, Bay Street, Barbados. Our Reference: 7003/13, Vol II, 25th September, 1980', that was the covering letter, and the actual document is 'Reform of the Levy System and the Allocation of Accumulated Funds; Implementation Proposals of Sugar Study Memorandum No. 1 G.B. Hagleberg and Andrew McGregor, Barbados, May 1980.' That is the document from which I am speaking.

Hon. L. S. CRAIG: Sir on a point of order. If, as I understand it Sir, the honourable Member for St. Michael South Central is stating that this is a document which should not have been in the hands of the public, and gives the reference numbers and the address — as I understand it, Sir, Government Headquarters, Bay Street, Prime Minister's Office — I would say that all that he has done at this point in time is to bring the Public Service and its entire confidentiality into question.

He has done nothing really to elevate the civil servants of this country. You must bring their integrity now into question.

If you could put your hands on a document out of the Prime Minister's office, I would now have to say that I agree with the Leader of the Opposition when he referred to them as "an army of occupation". I would really have to look at them very, very closely, and, as a reminder to you, whenever you get back into power, remember such things can happen to you also — remember that. All that you have done is to reduce the civil servants in the eyes of the entire country. That is all that you have done.

Dr. R. C. HAYNES: To continue, Sir. In the case of the abolition of the Capital Rehabilitation Levy, when the funds were extracted and handed over to whomsoever they were handed over to — I believe Barbados Sugar Factories Limited through the Barbados National Bank; I do not know, but I suspect that is what has happened — there is clear evidence that with the new method of depreciation that the industry will continue to recruit from the levy, which would have been made under that particular heading over the years, at the same time it would have capital available to it for immediate investment into the sugar industry.

As far as the Labour Welfare Fund Levy was concerned, that was also abolished. In the case of the

Sugar Workers Provident Fund, the intention is to absorb that in the National Insurance Scheme.

Sir, when you look at the quantum, the amount of money involved.....

Mr. SPEAKER: At what page?

Dr. R. C. HAYNES: This would spread, Sir, from pages 2 through 7 — there are several headings Sir. You would see, Sir, when you look at the quantum involved; Purchase of Smallholder Equity in Barbados Sugar Factories Limited — \$3.7 million.

He has already taken up \$3.7 million and handed it over to them for so-called purchase of smallholder equity, and none of them got a single share certificate. I don't have one. They say I am a sugar baron and I don't have one.

ADC Pilot Scheme — \$1 million. At least you can say that is a Statutory Board.

Financing of Smallholder Mechanisation — \$1.5 million. The only place I see some activity going on is in a part of Barbados which is not known for agricultural activity — that is in the constituency of the Minister of Agriculture, as far as I am aware.

The Sugar Industry Research and Development — \$1.5 million — listen to this, Sir, "to facilitate the plant and orderly introduction of harvest mechanization and to finance that mechanization, it is recommended that a revolving fund be established at the Barbados National Bank Agricultural Division with an initial seed money of \$13.6 million." That is not the end of it Sir. They have also had \$2.8 million for Carry-over Stock Financing. These are the main areas, and they involve a substantial amount of money, the burden of which, since 1968, based on my analysis of the source of those funds, fell on the growers and the workers in this country; and on the workers principally, because the wages which they were paid from year to year would take into account the contribution to the levy.

That honourable gentleman over there, Sir, the right honourable Prime Minister, the Minister of Finance, took over that money and handed it over to the sugar producers last year without any accountability whatsoever, and now he wants us, to go into a situation blindly, where we are going to guarantee bonds with money from the Consolidated Fund of this country.

Every guarantee of the Consolidated Fund is a contingent liability on the taxpayers who are likely to be called upon to pay, particularly in an industry that you can hardly predict what will happen now, or from year to year, because of the state of serious decapitalization that has taken place in the sugar industry.

Barbados Sugar Factories Limited and the management of the sugar industry, Sir, as I have said before, should be dismissed. They have mishandled the whole mechanization programme in this country, and they have failed to come and tell the nation that one of the major factors in the escalating cost of production in the sugar industry is the cost of mechanization.

I am not saying that mechanization may not be an important part for the development of the sugar industry. Do not get me wrong. What I am saying is that when you are determining cost, and escalation of cost, and productivity, then things like the cost and the timing of mechanization, the quality of canes and the acreage are all factors that are vitally important in determining if you are going to ultimately reach a stage where you can produce sugar at a cost higher than you can get for it in your protected markets, if not on the 'world market.'

But look at what has been done, Sir. It has been done surreptitiously. They have had money already. They have free money, money belonging to the workers.

And talking about morale in the sugar industry, morale in the sugar industry would never rise. That is why many of the problems associated with the negotiations early this year related to the misallocations, in my view, Sir, of those accumulated levy funds to the tune of some \$24 million or thereabout. I think that it was felt that there was some \$6 million that would be lost somewhere along the line in the national budget and it might create budgetary problems to try to recoup it at that stage.

Sir, can we ask this Parliament to agree to a situation of loose auditing? The provisions in this Act would make sure that there is no insufficient and improper auditing of the accounts of this fund. They are required, Sir, to submit audited accounts six months after the close of each financial year, or such longer period as the Minister permits. It is my contention, Mr. Speaker, that when you are dealing with taxpayers' money; when you are dealing with this kind of sum of money, the Minister should not have that discretion.

3.40 p.m.

The Constitution of Barbados places a responsibility on him to bring in a Final Appropriation Act within a given time. That discretion has not been removed. Audited statements must be presented within six months, and in the case of this kind of operation, because of the nature of the sugar industry, I believe that six months would be a reasonable time, and no Minister should have any discretion on the laying of those audited statements before Parliament. Six months must be the longest period which we would accept.

Then, Sir, there is another aspect to this, where the Minister shall table copies of the report and certified

statements of account in Parliament as soon as possible after the receipt thereof. What kind of nonsense is that? What is "as soon as practicable?" What does that mean?

We already have the disgusting situation in Barbados, the very disgusting situation, where the only bank in this country that has not produced an audited financial statement up to today, September 21, 1982, is the Barbados National Bank.

By mid-February, or near to the end of February at the latest, you can get the consolidated accounts of the worldwide operations of Barclays Bank or the Bank of Nova Scotia. We get a report signed on March 31 each year from the Central Bank of Barbados, and usually quite early from the Barbados Development Bank, signed on the 31st. (I suspect that the Minister of Finance gets it at an earlier stage but he does not release it until after the Budget. But never mind, we do not need that for the purpose of adequate reply). But at least those institutions conform to normal accepted banking principles, and the Minister must bear full responsibility, because there is no bank in the world that would permit a situation like this.

He cannot come in here now and even tell us what is the status of the Agricultural Division of the Barbados National Bank. He does not know; he does not have the accounts available to him. He does not know in point of fact what impact this will have on the financial viability either of the Barbados National Bank, of the banking system in Barbados or of the agricultural industry itself, because he has not got the information available to him. Such gross incompetence is something we cannot tolerate in the financial affairs of this country. This country must be run very tightly. There must be a clean, tight operation.

Now, I would not wish to reveal the details of the May 1982 World Bank Report to this House today, because if I did that the honourable Member for St. James North might be a little concerned. I will not release those details, I will keep that for another time.

Hon. L. S. CRAIG: On a point of order, Sir. Let me assure my colleague and friend, the Member for St. Michael South Central, that I am not going to be concerned, so he can afford to reveal all the information he has. I am giving him the assurance that I am not going to be concerned, so he is free to release it.

I call his bluff, let him put his money where his mouth is. He can bluff a lot of people in here, but he cannot bluff me. I am not going to be concerned, so he can release the figures in the May 1982 World Bank Report.

He is always trotting out a lot of nonsense that somebody told him or somebody gave him. Let him release the figures now, I am not going to be concerned.

Dr. R. C. HAYNES: Anyhow, Sir, I am quite sure that external recommendations for increases of 10 per cent or less over the coming years, and for wages less than the rate of inflation, would not be acceptable, and I would want to know whether the provisions of this Bill are in conformity with recommendations to the effect that wages must be below the levels of inflation over the next five years.

Mr. SPEAKER: What are we talking about now?

Dr. R. C. HAYNES: Sir, I am talking about the impact of wages for sugar workers as a consequence of the raising of this money by this fund. In other words, what I am hoping is that, having raised the money, the workers will get more money. That is what I am talking about.

Now, Sir, I have spoken earlier of the question of proper auditing systems and that this Bill does not provide for that. I have spoken of the fact that only a year ago the sugar sector has had a non-refundable gift from the people of this country, and it is absolutely important that we just not sit down here and

Hon. L. S. CRAIG: Sir, on a point of order. He is in full stride, Sir. I am still waiting on the information from the World Bank, because I have it here. I do not want to be concerned, and I am not going to be concerned. Tell this House what the facts are in the World Bank Report of May 1982 that are going to cause me and the House concern. Give the page as well, I want to know everything in it. Stop bluffing you are wasting the time of the House now.

Dr. R. C. HAYNES: You will see the appropriate release when the time comes.

Hon. L. S. CRAIG: I am not concerned, I want the report read out.

Dr. R. C. HAYNES: I have already told you and asked you whether you intend to conform to a wage increase of 10 per cent and a wage level below the level of inflation. Go and read the report.

Hon. L. S. CRAIG: I want you to read out the report. I am not going to be concerned. I have it here with me. I want to know what part of it is going to cause me concern.

Dr. R. C. HAYNES: To continue, Sir. Many people have rightly identified that the burning of sugar cane has a negative impact on the industry.

What is of interest, Sir, is that people who have been responsible for that industry have been the authors of the most expensive experiment in history, when they recom-

mended the controlled burning of canes to the previous Administration.

They recommended it, we had to stop it. We were not management experts, but we had to stop it. Now we hear all sorts of noises about the burning of canes. This is to be deplored, sure. We deplore the burning of canes, but where I think a serious error has been made is to try to attribute the burning of canes to political motives.

Burning of canes has taken place in Barbados under the Barbados Labour Party Administration, under the Democratic Labour Party Administration and under other Administrations, and it is my humble submission that the only reasonable research work that has been done on the probable causes of cane fires point to the fact that that practice is an industry related practice. Now, Sir, ... (Hon. Dr. R. L. CHELTENHAM: What does that mean? The workers?). Not the workers, I said an industry related practice. I am going to develop my point.

It ought to be obvious that if there were saboteurs at large wanting to destroy the sugar industry, quite clearly they would not select a period of time when the factories are working, when the burnt canes can be brought to the factories. It does not make sense.
3.50 p.m.

There has been research which indicated, certainly for a substantial sector of the sugar crop in Barbados, that at the times of the day and at the times of the week when cane fires occur, that even that would suggest that it is not due to any sabotage exercise.

What many responsible people in the industry consider to be a powerful factor is the insurance policy in relation to sugar cane.

Now I listened to the right honourable Prime Minister very carefully, and I recall not so long ago he made a very interesting statement on the floor of this House when he referred to the burning of sugar cane as being like a man burning down his own hotel in order to collect insurance money and not caring what happens to the people whom he employs.

What I think is necessary, Sir, is that very strict rules in relation to the insurance and the insurance value for crops should be introduced into Barbados.

The second factor that I think is important is that the insurance companies should be required to provide extension services when they insure the crop and not just insure ten acres of cane, because quite clearly the value between ten acres of first crop or second crop cane is very different from the value of ten acres of fourth or fifth crop cane. I believe that with tighter insurance policies — and Government will have to intervene in this

area — it will be possible to remove a possible cause of burning of sugar canes.

The other one — and I am just responding to the Minister's statement about the burning of canes — is to look very closely at the practice whereby if ten acres of cane are burnt at one estate, then the adjacent estate, under the directions of Barbados Sugar Factories Limited, is often required to stop reaping their green canes and help the guy who has had burnt canes. Because of that, there is a suggestion abroad that that particular type of operation might force one person to be way behind in reaping his canes, while another person might be well ahead in the process of reaping his canes.

All these factors are contributory, because I am not surprised that all the sorts of appeals that have been made by both Governments, by both sides of this House, not to burn the canes in Barbados have all fallen on deaf ears.

I believe that these appeals have been misdirected, and probably that we are not looking at those industry oriented factors which would be hurting the crop, hurting the productivity from sugar, whilst at the same time making it necessary to raise this kind of bond issue, and which, in the future certainly, will compromise the capacity of the industry to pay the principal and interest on the bonds that we are trying to raise by this Bill here today. So that insurance practise is a very, very important one.

Another area that needs to be looked at, Sir, is the accounts of certain estates where all their losses — I am speaking very frankly, because when it comes to taxpayers' money, it is essential that we look and see what is going on within the industry — have been piled up under sugar.

The Barbados National Bank carries the loses, but they make their profits on the cash crops. They utilise labour that for accounting purposes would be a cost on the sugar crop; they utilise equipment that would be a cost on the sugar crop, they obtain financing which they would obtain at concessionary rates because they are in sugar. They make a fortune on one section of their activity and they continue to run down the sugar industry.

So make no mistake, there is a series of related local domestic problems related to the sugar industry which you have to come to grips with, and this Government is in a remarkable position now to take a firm stand. I will tell you why.

With the advent, Sir, of Central Bank financing of the sugar industry in its various stages through the Barbados National Bank, a considerable amount of the load has been taken off the commercial banks — I think a

bit unwisely; they should be carrying some of the burden too — a considerable load has been taken off, but at least we are in a position today where such a large percentage of the estates in this country are bankrupt, and if called upon to pay tomorrow, as would be a normal banking practice, they could not pay it.

Not only could they not pay, but the market value, in some cases, would not amount to 25 percent of the money that they have borrowed from the bank, so those estates are in fact owned by the Barbados National Bank. that is the *de facto* position, that they are owned by the Barbados National Bank.

Therefore, when you hear a senior director of Barbados Sugar Factories Limited talking about not one cane is going to be planted in Barbados unless the Government finds \$40 million to give to Barbados Sugar Factories Limited, and to put in the sugar, then he has got to be a madman, because the Government, through the bank, could own it, and this is your opportunity to make sure that you have a policy position to make the most effective use of the lands in Barbados, and at the same time make sure that you come up with a coherent policy, which can insulate that industry against the domestic factors, on all the areas that I have touched on.

I do not wish to pretend that I am any genius in agriculture, I am not saying that the answer is for the Government to take over the estates, but what I do know is that one of the strange contradictions that you have in Barbados is that the people who own the land by and large are not interested in agriculture, and those who are interested in agriculture do not own the land.

I also know now that through a whole lot of delinquent practices which I had outlined earlier on that for the first time now an Administration is in a position to really call the tune in relation to the use of agricultural lands in Barbados.

But, Sir, if you wish to use taxpayers' money, or money which can become a liability on the taxpayers, to fortify the existing plantation system so that the sugar barons will continue to do as they like in this country, then feel free to do so.

I feel you have an excellent opportunity to do two things: abandon this Bill completely, utilise the next six months to have a sensible short-term arrangement for out-of-crop financing of the sugar industry because the money in relation to sugar and the crop would have already been borrowed, and money will be coming in over the next six months or so — and utilise that six months to do a proper in-depth study of where the sugar industry should be going and how you can restore it to a position of productivity, because there is no point — and I disagree fundamentally with this argument — producing

150 000 tonnes of cane and producing at a loss. It has to be subsidised by somebody. Somebody is going to subsidise it, else the whole thing is going to end up in bankruptcy.

I also question certain fundamental policies where we can take up money like this to back a policy position which is predicated on a price arrangement whereby you might well reduce the price for cane in the high rainfall area in order to support farms in the low rainfall areas, which have become bankrupt as a consequence of circumstances.

4.00 p.m.

These are basic issues that have to be faced. You cannot get into this area of financing before you deal with that whole question of restructuring within the sugar industry, and you have the opportunity now.

Any Minister of Agriculture worth his salt should be able to sit down and look at this thing objectively and rationally and not allow anyone to push down your throat all sorts of out-moded ideas that should be subjected to greater analysis and greater thought.

One can get up and criticize me. That is one thing. But it is another thing when you get home, when we all get home a year or two years from now, and you find that you are \$40 million or \$60 million down in relation to the sugar industry. That is why you see I am taking a considerable amount of time in dealing with all of these matters in some detail.

One of the worse and more lucid statements that I have heard from a Minister of Finance I heard this morning that all import controls mean reduction in the standard of living of the people in a given country. Such nonsense, Mr. Speaker, has never been spoken by any Minister of Finance at all anywhere in the world.

Let me tell you what the difference in policy is. It was brought out very clearly by the Minister of Finance himself. You see, he can fool the honourable Member for St. James North and honourable Members on that side, but not me. He believes in import controls through prices. That is what he believes in.

He believes in a combination, Sir, of a credit squeeze, high initial deposits on consumer items, in allowing prices to float upwards and in heavy taxation in terms of duties, Consumption Taxes and Stamp Duties.

All these things have an influence on your imports into Barbados. What does all those things do? The Stamp Duty, the Consumption Taxes, credit squeeze and high interest rates will all have an impact on imports, but they do not discriminate between the poor man and the rich

man. That is all the difference. The difference of opinion lies there.

We all know there are certain arrangements under the Caricom Treaty arrangements that cannot be interfered with, but what we say is that you cut out the unnecessary items. A stove is not an unnecessary item, a fridge is not an unnecessary item, potatoes are not unnecessary, but surely you can cut down on the allocation of money that you make for things like gambling machines and the kind of things like that. You are not going to tell me that if you cut down on the importation of gambling machines that is going to result in a fall in the standard of living of Barbados?

But where he has a problem is where he has already enforced, as I have already pointed out in a Press Release not so long ago, all the IMF measures which he had gradually introduced in here since September last year — (and transport is going to get some licks, too) — he now finds himself in a spot where he has to formalise a position in accordance with the IMF rules where he cannot impose any import restrictions outside what already exist. He cannot do it.

IMF is there, Sir. They have a responsibility to the people who put their money there, people who want open markets, and they would never, particularly under a conservative regime, agree to any question of import controls as an instrument of helping to correct your balance of payments position, even if it is in the interest of the country.

The very World Bank Report of May 1982, to which I referred, — talked about rapid increase in the rate of inflation from 5 per cent after 1976. (*Asides*) If you want me to, I can promise this Honourable House. I can bring it down here and show you but I would not allow you to look at it. That has been done. It is in the 1982 report, so do not ignore this question of import control.

The point I am trying to make is this. When we are talking about sugar, we are talking about a trade-off of benefits — export benefits, imports savings benefits — and when you talk of import control, what you are talking about is a sensitive trade policy in relation to the country. That is what we are talking about, a sensitive trade policy.

What is he saying? He is saying that a sensitive trade policy reduces the quality of life of the people in any given country. Such gross nonsense has never been mentioned before, never heard to fall from the lips of anyone. What he is saying is that monetary policies and fiscal policies should replace sensitive trade policies which would be in the interest of the vast majority of people in this country.

That is the analysis of the situation, so you cannot come in here any longer and try to cowl anybody on these benches by trying to call them ignorant and all kinds of foolishness like that.

We know what we are talking about, and we know the constraints under which you labour, because if you look at your production balance of payments deficits over the next five years, as set out in the World Bank Report, you know the kinds of problems you are going to have.

You are going to be stranded out, and I know what exactly you are going to do. There is also another instrument that you are going to use in order to control imports in Barbados. I will not use the word. You were the first one to use it.

I have always called on you again and again to defend the value of the Barbados dollar. You were the first person I heard to talk about the devaluation of the Barbados dollar, not me. I was most careful at no time ever to mention the word "devaluation." You were the first person, in an interview with VOB, that I heard mention the word "devaluation." I never did it.

So it is wrong to come in here and accuse me of making statements that will undermine the value of the Barbados dollar, Sir, when I have again and again spoken out against those policy instruments that have lead this country to a position where it may find itself having to alter the value of its currency in relation to other currencies.

I was the one that fought against the wasting of the Carifesta money. I was the one who talked about printing of the money last year. I was the one who talked about the badly organized capital programme and the wastage involved. I was the one who talked about the improper mix of capital programmes.

Right here, we see another bad example of it, Sir. That same Portvale is a bad example of the same kind of bad planning in which the Government must have been involved because they are shareholders in the Barbados Sugar Factories Limited.

It was sheer madness, to add — I am mad, I am annoyed — Portvale to Haymans, to add that down there to the Sewerage Plant which is making greater and greater demands on current revenue and creating problems for the people of this country, job wise — a situation where the young people in Barbados, I doubt very much, will have the same kind of expectation in this country that I had when I was a boy in the 1950s, living under your mismanagement.

I rather suspect, Sir, that this approach to the sugar industry and this underwriting of this approach to the sugar industry might well have the kind of consequences which I have outlined today.
4.10 p.m.

I hope and pray, Sir, that I am wrong. I hope and pray that I am wrong. But what I do know is this, unless the Government comes up with a sensible and acceptable policy in relation to sugar, they are going to find that there will be a division between themselves and the more informed people in the industry, who have been the backbone of the industry over the years. You are going to find that the shareholders and major companies in Barbados, who have been among the better and more responsible sugar people, will no longer tolerate a situation where the value and the return of their shares are being whittled away by improper national policies in relation to sugar.

So if we assume, Sir, that the sugar industry is vital to this country, I would concur with that opinion. But I have set out the various areas of which I would like to cast some doubt. As I said, there is no point of having a sugar industry unless your levels of productivity are such that you will make a profit at the end of the year, because in the long run the country is going to make a loss.

One final point, Sir. The honourable Member talked about the sugar industry as though he was talking in the 1950s. I would imagine, Sir, that it was his father talking about the sugar industry when he was talking about the retention factor in terms of foreign exchange — the low foreign exchange requirements in relation to every hundred dollars that you earn out of sugar.

This is changing and changing fast, Sir, and with the advent of mechanization, you are going to find that the import content of the sugar industry is going to rise from year to year.

We have had a situation where an honourable Minister of Finance can actually order a bank — order the bank, you know; the bank took a banking decision that they are not lending any more money. He blames the bank and says that they do not make proper decisions, so he orders the bank to continue to lend the money — but for wages only.

You know that there are many people who got the money for wages only and cannot pay for the diesel to put into the tractors; that they cannot pay for the rat poison, Sir, that they cannot pay for a lot of other things that they do whilst they are preparing the land at this stage?

The problem, Sir, is that the Government has not thought out its policy in relation to sugar. You are going to hear a lot of big words, 'price support policies'. He did not tell you that he is going to put up the price of sugar, you know. What he told you was that sugar in Barbados is cheaper than anywhere else and probably cheaper than yams and potatoes. But part of their policy is to put up the price of sugar. It is part of their domestic support policy. Get up and say that you are going to put up the price of sugar. Don't go the other way around. You are going to put the price of sugar up as part of your domestic price support policy.

But there are other ways. Explore the use of gasohol in Barbados. Explore that as a possible component of the price support policy. Look at the capacity of available capital plant for the production of gasohol in relation to your marginal estates. (*Asides*) Don't mind what I am using or not using. That is your business. I do my reading and you do your reading.

I am telling you to examine the alternatives. Think about it. Do not allow yourself to be pushed into doing foolishness by the honourable Minister of Finance who is reacting to certain plantocracy interest. (*Asides*) This is the way he thinks. He is a conservative. This is his approach.

We are more sensitive to the needs of labour. We see the working people and the interests of the working people and the interests of the nation from a different prospective, and that is why we are on different sides..... (*Asides*) We are a progressive people.

Sir, I will make this a document of the House. The document I have here, Sir, is called "The Rationalization of the Sugar Industry in Barbados -- Response by the Barbados Workers Union to the Government's 1980 proposals." It is not dated, Sir. I have lost the front page; I think it was done by the Barbados Workers' Union.

When you read this document and you see what they have done with the sugar money, and you see the hardships they put the workers through earlier this year, Mr. Speaker, if you were to read this document, you would cry.

Thank you very much.

Mr. SPEAKER: There is another document, from which you quoted extensively, which you should make a document of the House. (*Asides*).

Mr. B. M. TAITT: Mr. Speaker, this Bill would provide for the establishment of a fund to support the price of sugar and for related matters.

Mr. Speaker, Sir, when the Prime Minister introduced this Bill I sat and wondered whether he was coming to this Honourable House after considerable thought had been put into this Bill. But as he introduced the Bill, it occurred to me that he wanted to move as quickly as possible away from the Bill, and into more familiar ground, where he is able to utter a number of political statements, which he has uttered over and over again, and which, perhaps, he has come to believe, even though the rest of us can find no basis for any veracity in those statements.

I would like, first of all, to deal with the Bill itself as it tackles the question of price support. Mr. Speaker, there is no difficulty with the concept of price support as such. Throughout the world there has been, in the developed countries and in some developing countries, varying attempts at price support for the agricultural production of those countries.
4.20 p.m.

What I think is important, however, is the method that is to be used in the application of these price supports, and when I have looked at this Bill, there are a few questions which come to mind and which should be of some concern to all persons of goodwill in Barbados.

Mr. Speaker, let me say at the outset that I am not happy at the prospect of a private company in Barbados, in all the circumstances we know, having the responsibility for the issuance of bonds which, essentially, are backed by the Government.

I want to make the point that the issuing of bonds *per se* is not something for which you ought to run and hide, because every company in Barbados, which wishes to, may indeed create a bond issue.

The common practice in the United States and other areas in the bond market is to have investment bankers float the bond, to offer terms that make the bond sufficiently attractive that persons will wish to invest in the particular issue. If the Barbados Sugar Factories Limited had proposed to have a bond issue to assist with their further capital development, and they had floated the bond issue through one of the commercial banks -- including the Barbados National Bank, acting as an investment banker -- I certainly would read the issue, I certainly would make recommendations to anyone who would ask me as to whether they should invest or not, but I would not be concerned at the fact that they were making a bond issue.

I believe, however, that the Prime Minister owes it to us, as Barbadians, to explain the kind of thinking which would have led to the decision which has now been incorporated into the Act, to allow the Barbados Sugar Factories to issue the bond, to make them responsible for

the administration, not only of the issue but for the continuity of the issue when the bonds have in fact been subscribed to, and, finally, to make arrangements for the Government to guarantee to the investors that any bonds which they purchase will be redeemable precisely because the Government will be backing them.

Sir, when the Prime Minister made the announcement concerning the need for the Government to come to the rescue of the sugar industry, he said he would bare the details later, and one has to conclude that this Bill is the first baring of such details.

I want to ask the honourable Member this question. What is the expertise which the Barbados Sugar Factories have demonstrated in their financial affairs which allows the Government to be satisfied that they can give them this measure of control over the bond issue? What is the expertise which they have demonstrated, not only in their financial affairs but in the whole question of investment in the sugar industry? Where has this expertise bared itself, and what is it that informed you, in what is an innovative aspect of the Government of this country?

This is the first time that the Government is taking a chance of this kind in an area like this, and I wish to know what it is that informed the Government when they were making the decision to allow the sugar industry the amount of autonomy, bearing in mind that there are other institutions in this country over which the Government will have more control.

Mr. Speaker, if one looks at the investment policies and the management policies of the Barbados Sugar Factories Limited, one will notice that they invested a substantial amount of money into Porters Factory and within two years they made the decision to close Porters. If one looks at Lower Estate, a similar decision was made; and if one looks at Vacluse, one sees that just prior, a year and a half to two years before Vacluse was closed, a substantial amount of money, in excess of half million, was invested in that factory.

Now, Sir, if one looks at the decision to invest that kind of money, in excess of a million dollars, in the two factories, which subsequently were closed for the construction of Portvale, one has got to question the capability of the persons making the decisions concerning the investment portfolio, or the investment policies of the Barbados Sugar Factories Limited.

While it is their business to do as they like as a private company, I have great difficulty in understanding how the Government in its wisdom can offer them the facilities which this Bill seeks to do.

Those facilities are much wider than the particular clause in the Bill would seem to indicate, because

the guarantee which the Government is giving is wider than any guarantee it has given to any other industry so far.

The Telephone Company, the Light and Power Company, all of those are public companies that have been given guarantees. I recall the shrimp company where there was a guarantee, and there was one other company where the Government had in fact given a guarantee of the loan.

But I recall that in the case of International Seafoods Limited, when the then Government came to the Parliament seeking to guarantee the loan from the EX/IM Bank at the time, that the honourable Members on the Opposition at that time said to the Government "we do not disagree in principle, but we do not like the measure of control which you are going to give to these people in terms of the shares."

If I remember correctly, the honourable Member for St. Peter was vehement in his recommendation that the Government should have a larger share and thus more control in the running of the company. And if I remember correctly, the Government went back down and came back up with a situation in which the Government owned substantially more shares than they intended to own when the Bill was initially introduced.

Now, Sir, the fortunes of the company may be open to political rhetoric, but the principle involved is the same. The Opposition at that time felt that where public monies by way of a contingent liability were being made available to private groups, a certain amount of control was necessary. Here we have a situation where the Government's guarantee is going to be, in my view, even more certain, because clauses in the Bill indicate that at any time an investor is seeking to redeem his bonds and there is even the slightest hint that the bonds might not be redeemable, the Government will step in to ensure the redeemability of the bonds.

Sir, as I have said, there is nothing inherently frightening about the idea of guaranteeing issues for local companies, because if we can do it for companies that have investors who reside outside of Barbados, I have no objection to our doing it for investors who are Barbadians living in Barbados.

4.30 p.m.

I do not believe however that the Barbados Sugar Factories Limited, in any of their manifestations, have demonstrated the kind of financial capability, the kind of management expertise and the overall capacity to justify making them the investment bankers, as it were, for themselves with a blue chip guarantee by the

Government. I am concerned about that, and I think all people of goodwill will be concerned about it.

Mr. Speaker, there are other aspects of the Bill which concern me, and I will wish to deal with them in Committee to get the Prime Minister's thinking on them, but there are certain statements which the Prime Minister made in introducing this Bill which I believe require some response.

The Prime Minister has signalled the increase in the price of sugar. The only thing that is left now is to find out what the price will be. He made a statement while introducing that new price of domestic sugar for use in Barbados which, if left unchallenged, will give people the wrong impression — that Barbadians have been sponging for many years on the labour or the investment of the owners of the sugar factories.

The fact is that if you examine any country where a product is produced in that country, one would find that to a large extent the domestic price is a different price from the external price.

When he speaks about the price of sugar in the United States, or he speaks about the price of sugar in Europe. Let it be said that the price of sugar in Europe is substantially supported by the C.A.P., it is substantially supported by way of subsidy to the farmers and by stockholding by the Government so that the price will rise automatically.

In any event, if we do not use agricultural produce, let us look at the price of cars.

Mr. Speaker, a person living in the United States buys a car cheaper in the United States — and the price rise in the United States for a car is no more than, on average, \$200 a year, precisely because it is produced in the United States.

Sugar is expensive in Europe when it is imported from Barbados because it is imported from Barbados. It does not stand to reason that because the average world price — and this seems to be what he is saying — to the consumer is a certain amount, that the price in Barbados for the consumer cannot be below that amount. It is a question of policy.

A Government that said in its initial manifesto that it believes in food support prices for the consumers cannot now be heard to be castigating the consumers because both the Government before it and it itself continued a policy of subsidising the price of sugar.

If it is felt that the price of sugar now is not commensurate with the desired level for the overall cost of production in Barbados, say so. But do not make it

seem as if the people of Barbados have been getting away with murder because the price of sugar in Barbados has been kept at an artificially low level, because Mr. Speaker, the people in the sugar industry have never been able to market their product properly. It was the Government that went out and started marketing sugar properly, and it was the Government who did it then, and it is still the Government who does it now.

The Commonwealth Sugar Agreement was nothing more than a cartel arrangement between the owners in the United Kingdom and the owners in Barbados, and the Commonwealth Sugar Agreement always arranged for the price of sugar to be artificially low.

Indeed, it was because the Government intervened in the marketing arrangements that a substantial windfall accrued to the people who owned the industry. And it was decided, as a matter of policy, that part of the benefit which those who worked and produced the sugar would get is a reasonably low level of increase per annum in the price of sugar.

If the Prime Minister and his Government feels that the time has come to make the increase steep and rapid, let him do so. It would be in keeping with the view which some of us have of his Government — not what he says — but a view that he believes in a full so-called market system where supply and demand coincide.

But when he is going to talk about average price, he must not mislead himself or any of us. The average price as it applies to the people in Barbados must be the average price which they get for their total production, and must bear no relationship whatever to the rest of the production of sugar in the world.

So if we produce 100 000 tonnes of sugar at what Mr. Osbourne says is \$1,106 per ton, a figure which I profoundly disagree with

Mr. Speaker, the Barbados Sugar Producers have never given the correct figure for the cost of production in Barbados. When they are seeking a price increase in Barbados, they produce figures that show a very high cost of production. When they are producing figures for the Government to go and argue with the EEC, they produce another set of figures. That happened during my time and we had to go and ferret them out and fight and quarrel with them to get a figure that we could take to the EEC that would have been acceptable as an honest figure of the cost of production.

One reason why the high cost of production in Barbados and the rest of the Caribbean continues to dog the industry is because we have thrown in the baby, the bath water, the maid, the cook; everybody that lives on the plantation and everything that happens on the plantation

has been included from time immemorial — and continues to be included in some quarters — in the so-called cost of production of sugar.

One of these days one of the Governments could be lucky enough to find out what is the real cost of production of a ton of sugar. Maybe one way for the Government to find out is to infiltrate itself, since it owns a substantial part of Barbados Sugar Factories Limited, into the management structure and the decision making so that all of the people in Barbados can get all of the facts so that we can make proper decisions.

Mr. Speaker, we have a difference in policy; we have a difference in philosophy — the honourable Member on that side and the honourable members on this side. If he believes that the domestic price should be increased rapidly, it is a straight case of a difference of philosophy. I do not think that arguing it would carry us any further because, as the honourable Member for Christ Church East Central likes to say, they have the numbers.

I do not believe in it. I believe that a socialist-oriented Government, or a socialist-oriented party, ought to have an agricultural policy that seeks to do only a few things.

I believe that it should seek to increase the agricultural productivity by the promotion of technical progress, and the optimal use of available resources. That is one. (2) I believe that agricultural policy should seek to ensure a fair standard of living for the agricultural community. (3) I believe it should seek to stabilise the markets. (4) I believe that it should seek to assure the availability of supplies, and — I do not wish to go on *ad infinitum*, but there is one other important one I believe it should seek to ensure reasonable prices to the consumer.

Now, one of the things which the honourable Member has done in his administration is to join the Ministry of Agriculture to the Ministry of Consumer Affairs. Presumably, in their philosophy they feel that with the same Minister administering both the farmer and the consumer, a fair balance can be reached.

To the extent that has been successful, they will have their view — and we and the consumers and we as the farmers might have a different view. But it is a way, if that is the way they wish to do it.

What I am saying, however, is that it is not in the interest of the agricultural development of this country for anyone, least of all the Prime Minister, to seek, in talking about non-sugar agriculture, to speak of it in the same terms as he speaks of sugar agriculture. The two things are not on the same basis; they are not on all-fours.

The sugar industry in Barbados has had, from time immemorial, a substantial amount of assistance, and when the sugar industry was borrowing from the commercial banks *per se*, the arrangements were easy, because all they had to do was to get the roll-over year after year.
4.40 p.m.

Mr. Speaker, in many ways the large outstanding debts which the sugar producers are said to have with the banks are really fiction, because they are only now paper.

It is true that the numbers are there — it may be \$50 million, or \$26 million or some other kind of million — but nobody is ever going to pay back the principal. For as long as the honourable Members in here live nobody is going to pay back the principal. The interest will be paid every year and there will be a roll-over.

What we need a Barbados National Bank, which takes over the Agricultural Credit Bank, to do, is to deal with those farmers in Barbados who cannot fend for themselves, farmers like those in the constituency of the honourable Member for St. George South, for example, the peasant farmers.

There are said to be over 30,000 of them — I do not know if the figure is accurate, but there are a lot of them — and they suffer. They are the ones who suffer.

Barbados Sugar Factories Limited will be able to issue bonds for \$20 million. Who will issue bonds for all of those small farmers who have decided they are going out of sugar cane, and who have great difficulty marketing their products in this community.

The Prime Minister's words about his making great production in agriculture are not matched by the information which one finds in this document.

Mr. Speaker, I take the trouble to go for the Central Bank's Report for 1976. Nineteen seventy six is the year that falls to us. The election was held in September so the report for the 1976 year is a year that would fall to us.

At page 30, it starts off under Agriculture and Fisheries: "Agricultural production was approximately 8 per cent higher than in 1975" — and it goes on, I am quoting from page 30 — "The quality of fish caught exceeded last year's catch". It goes on at page 34 to talk about other improvements in agriculture. That was the last time, it was the last time, Sir.

Then we came to 1977. This falls properly now with the Government. Mr. Speaker, I have done this before, but accuracy, in the light of what the Prime Minister said today requires that it be done again.

At page 10, under Agriculture, the Central Report 1977 — and I am taking excerpts — says, “the cotton crop was a disaster”; “the output of milk and poultry products continued to increase but other livestock products remained depressed. The quantity of fish caught this year declined sharply.”

Mr. Speaker, I go to 1978. At page 9 of the Central Bank's Report for 1978, it says “There were no gains in the production of other agricultural crops. Cotton experienced another disappointing year.”

I quote a little further on the same page. “Onion production was about the same in 1977 but yields per hectare were much improved.”

I quote again on the same page. “The Fishing Industry recovered from the severe drop in 1977 but still fell short of the 1976 output of approximately 5.1 million kilograms of fish landed.”

Mr. Speaker, in 1980, at page 11, it says: “Pork production fell by almost half, 48 percent, as a result of marketing problems” and, Mr. Speaker, 1980, page 10, “Onion production declined to 472.332 kilograms.” I am quoting again, “Production of root crops and other vegetables declined significantly”.

Mr. Speaker, we come finally to 1981, and at page 11, “but the domestic food crops declined by 2 percent and export crops by 60 percent.”

Mr. Speaker, I make these quotations.....

Hon. L. S. CRAIG: On a point of order, Sir. While the honourable Member was quoting, I think he should have also made reference to the World Bank Report, of which the Member for St. Michael South Central this evening made it very clear how the indifferent management of this country has been over the years.

Now I have the Report 3822 BAR — The Economic Memorandum of Barbados, May 28th/82 — Latin American and Caribbean Region Office — for Official Use Only. On page 1 — Barbados, Economic Background, May 28th/82, and this is what it says, Sir. This is the World Bank Report that I was going to be ashamed of if I had heard what was read out. Listen to how it reads:—

“Although this was a period of high external demand, the good performance reflects also excellent management of the economy during this period. The correct environment was created to enable the economy to derive the maximum benefit from the prevailing external conditions. However there were signs in 1980 that the performance of

the economy was beginning to deteriorate and it was displaying the fragility that must be expected from an economy that is dependent on external forces”.

Sir, the World Bank Report. This is the report which the Member for St. Michael South Central said earlier today, Mr. Speaker, that I would be ashamed to hear anything about it, so I just wanted to quote this at the appropriate time now that he has taken his seat, Sir.

Mr. SPEAKER: Without any regard for which honourable Member is addressing the Chair.

Hon. L. S. CRAIG: I beg your pardon, Sir.

Mr. SPEAKER: You take the opportunity now that the honourable Member for St. Michael South Central is in his chair.

Hon. L. S. CRAIG: Yes, Sir. I addressed the Chair. I said, Mr. Speaker, Sir, I addressed the Chair, Sir.

Mr. SPEAKER: Without any regard for which honourable Member had the right.

Dr. R. C. HAYNES stands.

Mr. SPEAKER: I do not wish to hear the honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: On a point of order, Sir.

Mr. SPEAKER: I do not wish to hear the honourable Member.

Dr. R. C. HAYNES: On a point of order, Sir.

Mr. SPEAKER: There can be no point of order from the honourable Member. The honourable Member for St. Michael West may continue to address the Chair.

Mr. B. M. TAITT: Mr. Speaker, Sir, I must say, with all due deference to the Chair, that in all my time in Parliament I have not seen a display like the one which I have just seen.

Hon. L. S. CRAIG: Mr. Speaker, Sir, you are to determine my display, Mr. Speaker.

Mr. SPEAKER: Please, please. Order. He has never seen it, neither have I. *(Laughter)*.

Mr. B. M. TAITT: Mr. Speaker, Sir, I am very glad that I myself am not quoting from the World Bank. I quoted from the Central Bank of Barbados and the Central Bank of Barbados' figures demonstrate that the impression which the Prime Minister sought to give by

saying that he found this in 1976 and this is what is happening in 1982, and seeking to suggest that there has been this fantastic improvement in agriculture is wrong. I have quoted from the Central Bank's Reports from 1976 to 1981 to demonstrate that it is a wrong impression which he sought to give.

The honourable Member wants me to quote from the World Bank. Mr. Speaker, if I had the time I would tell him that the World Bank recommended about eight things for the honourable Member to do — it is in that report too — and the honourable Member has done every one.

The World Bank recommended that they should reduce the uneconomical bus routes, and they are doing it. The World Bank recommended that they should chase away the conductors — that is the only thing you have not done yet. The same World Bank Report. Get up and read it. If you want to read it, let us read it.

Hon. L. S. CRAIG: On a point of order. I read the World Bank Report and I have not seen where they have asked us to chase away the conductors. I have not seen it anywhere.

Mr. B. M. TAITT: Well, you cannot read, Sir.

Mr. SPEAKER: Let us have some order, please. I cannot have two honourable Members on their feet.

Mr. B. M. TAITT: The honourable Member did not give you the right page.

Mr. SPEAKER: I cannot have two honourable Members on their feet.

Mr. B. M. TAITT: You want the World Bank Report? If I were you I would not ask for the World Bank Report.
4.50 p.m.

Hon. L. S. CRAIG: On a point of order, Sir. I read the World Bank Report, and I have not seen in this World Bank Report of May 28, 1982, anything about conductors being sent home.

I, personally, have always advocated turnstiles — I have always advocated that; I will say it here, and I say it all the time — to teach the conductors on the buses to have law and order on them. I have always advocated that. I stopped them from stealing, if you want to know what I am saying.....

Mr. B. M. TAITT: Mr. Speaker, he introduced the World Bank Report — not me. I am merely saying that if I had been reading it, I would have been able to quote,

because I remember seeing some of these things which the honourable Member did not see. (Look out, I know).

Rt. Hon. J. M. G. M. ADAMS: On a point of order. Last week in here I said that it would be a sad day in the House if Members are allowed to quote from a document which they do not make a document of the House.

Now I must confess that I have not seen the World Bank Report since it was in draft. It comes to the Minister of Finance before it is published for the general information of the Government. I would however put my head on a block that the words "bus conductor" do not appear in it, unless it has been added after the draft.

So we have members here with no restriction whatsoever except a rather thin thread of scrupulousness — and even that I have to suspect sometimes — reading from documents and making statements about what is in a document when the document is not before the House. That is what the putting of a document on the Table of the House means.

Now I am fairly sure that as a Governor of the World Bank I have not been given a forged copy of the report. I am fairly sure of that. I am fairly sure, having recently addressed the World Bank on behalf of a relatively large number of countries, that I know its ways and its whereabouts.

I am really very distressed at this business of pretending to have a Cabinet Paper, pretending to have a document of the World Bank, but unable to produce it when the right moment comes. And the standards of debates in the House will inevitably deteriorate if people with insufficient scruples are allowed to refer to documents, without putting the documents on the Table.

It cannot be done in a court. It is regarded by the civilized Press in all parts of the world as the last class of despicability in debate.

We would be reducing the House, where even so scrupulous a person as the honourable Member for Christ Church West Central can make a slip in reading from a document and no doubt inadvertently mislead the House about a quotation from a judge or witness — I say, "no doubt inadvertently" — so much more will the honourable Member for St. Michael West, who does not even pretend to have the document.

That is the thing that hurts me. He is now quoting from a document that he does not even pretend to have. It is not in his hands. He has a document with a yellow cover and one with a blue cover folded inside the other, and he has his speech written out. He has a couple of photostat sheets of paper with his speech written out on them. That is all he has.

I submit that we cannot go on like this.

I have a report and I am searching for it what people say is in it. It is not in it.....

Mr. B. M. TAITT: The honourable Member is the last person that should talk about despicability in debates. I was hearing a debate in which the only one who could question it would be someone of a low mind. I was going along very beautifully, Mr. Speaker, reading from the Central Bank Report. The honourable Member gets up on a -- I cannot say that Sir; yes, because it was not called on a point of order, -- he gets up and says "on a point of order" and then proceeded to quote from a World Bank Report that has no relevance to what I was saying. That was on one point of order. Then, I said I have been told, Mr. Speaker, and I have seen a page from what is purported to be the World Bank Report, which has five recommendations -- and the Prime Minister has carried out four already -- and one was to send home the conductors. Yes!

Hon. L. S. CRAIG: Mr. Speaker, on a point of order. I am going to challenge the honourable Member.

Mr. B. M. TAITT: You can't challenge me to anything, man. I am telling you what I saw I don't have to argue with you.

Mr. SPEAKER: We cannot have two Members on their feet. The honourable Minister must take his seat.

Mr. B. M. TAITT: This joker here gets up and he talks about "despicability," and then he proceeds to the exact same thing. Does he think that he has the last say in what is 'no' and what is...

Mr. SPEAKER: Is the honourable Member addressing the Chair?

Mr. B. M. TAITT: Yes, Sir. I am talking how the right honourable gentleman for St. Thomas is always getting up in here and talking about "despicability" and "low levels of debate", and I am saying...

Mr. SPEAKER: And I support him.

Mr. B. M. TAITT: Yes Sir, I expect that.

Mr. SPEAKER: Remember this, and I speak to you whilst you are on your feet. Honourable members addressing the Chair have a responsibility for what they say.

Mr. B. M. TAITT: That is correct, Sir.

Mr. SPEAKER: They have a responsibility.

Mr. B. M. TAITT: I am responsible for what I say, and the Chair has a responsibility, too, Sir, to rule fairly, and when honourable Members on that side get up, I am as equal.....

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be suspended for fifteen minutes.

Mr. SPEAKER: I take that motion. The honourable Member still has two minutes in which to address the Chair to bring this debate to a close.

Mr. B. M. TAITT: If you say that I have two minutes, I will sit down now. Let him have the motion. If they are going to get up in here every time someone is making a speech.....

Mr. SPEAKER: Please! You have been interrupted and you should have two minutes to end your debate.

Mr. B. M. TAITT: I am finishing the two minutes by saying that there is no one in Barbados, and least of all the honourable Member for St. Thomas, or that honourable Member, or any other honourable Member sitting on that side who can cowl me by the use of phrases or terms. I fear no one on that side. (Hon. L. S. CRAIG: You are afraid of Haynes.)

We are debating. I am quoting from a document, and he gets up and talks about the World Bank, and then this joke gets up and talks about despicability. I don't have to put up with him. (*Asides*)

Rt. Hon. J. M. G. M. ADAMS: On a point of order.

Mr. SPEAKER: Order. The honourable Member has risen on a point of order.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, if the honourable Member wishes to take on the adjective "despicability", which I said the Press customarily reserves for people who read out things from documents that are not there, he will have to wear the cap. I am very sorry for him that he has so many chips on his shoulder that he feels that he cannot be criticised without going into a little tantrum and a fit.

But the fact is that I have made a submission that it is improper in debate in this House to pretend to read from a document, and to quote from a document which you pretend to hold up when the document is not on the Table in the House.

I am submitting that if anybody is going to quote from a World Bank Report, they must be prepared to put it on the Table of the House.

Dr. R. C. HAYNES: On a point of order. At no point did anyone on this side quote from a World Bank Report. One referred to the wages recommendations in the World Bank Report in connection with the impact of wages for the sugar workers as a consequence of this fund.

5.00 p.m.

There is a specific section in there dealing with projected wages over a number of years. It is in there; look at it. Look under WAGES, and do not accuse people of being despicable. It is part of the World Bank's Report. I will bring the report in here and read it next Tuesday, if necessary.

Mr. B. M. TAITT: Mr. Speaker, you are aware, Sir, that at no time did I attempt to quote from any World Bank Report. I did not hold up any document
(Asides) Mr. Speaker, I am addressing the Chair.

Mr. Speaker, I said that if he had looked at the same World Bank Report, and I stand by what I say. I have been quoting from the Central Bank Reports, and I gave the pages and the dates.

Mr. Speaker, let me finish my debate by saying this. So far as the Prime Minister's statement concerning the marketing of agricultural produce in Barbados, when we come to the other Bill, since my time is apparently running out, I will be able to demonstrate that a hoax has been played on the people of Barbados concerning the Barbados Marketing Corporation. The Barbados Marketing Corporation is in a worse financial state today than it has ever been.

Mr. SPEAKER: Is the honourable Member addressing the Chair?

Mr. B. M. TAITT: Yes, Sir.

Mr. SPEAKER: On what?

Mr. B. M. TAITT: On this sugar support Bill. The honourable Member spoke about the Barbados Marketing Corporation as part of the marketing of agriculture in this country, and I am responding to that. I am saying that the Barbados Marketing Corporation

Mr. SPEAKER: The honourable Member for Christ Church East.

Hon. Dr. R. L. CHELTENHAM: Thank you, Mr. Speaker.

Mr. B. M. TAITT: I believe that that is

Mr. SPEAKER: The honourable Member for Christ Church East.

Rt. Hon. J. M. G. M. ADAMS: Sir, ...

Mr. SPEAKER: I am sorry, Mr. Prime Minister. The honourable Member for Christ Church East.

Hon. Dr. R. L. CHELTENHAM: The honourable Member for St. Michael West, Sir, will forgive me if in the course of my presentation I pay no regard to what he said. I think, Sir, and I say this with great humility, that this is a classic illustration of a man who intervened in a debate who had nothing to say but nevertheless felt a compulsion to intervene.

If I may say so, again with great humility, Sir, he is suffering from the fact that he is being overwhelmed and overreached by the honourable Member for St. Michael South Central. The fact that the Member for St. Michael South Central was on his feet for so long forced him to get up and speak when he had nothing to say, and, as a result, the debate has been dragged to a very, very low level indeed.

I wish to respond in large measure to what has been said by the honourable Member for St. Michael South Central. His speech, Sir, was wide ranging and repetitive and tended to address every subject under the sun. In so doing he made a speech which was characterised by a lot of misinformation, misunderstanding and a total absence of perspective about the sugar industry and the problems of agriculture in Barbados as a whole.

I must also add that the speech was also lacking in shade and any sense of memory of what took place under the Democratic Labour Party, because he pointed to the fact that one of the major problems in the sugar industry now is the question of idle lands.

That is true, but that is not a problem which was created by the Barbados Labour Party. It was because of the fact that the Democratic Labour Party in the late Sixties, and in the early and mid-Seventies took, on average one thousand acres of good agricultural land out of production, year after year, that has landed us with the problem which we have now.

You only have to look at the situation in Christ Church, where they took Durants out of agriculture, they took Chancery Lane out of agriculture, they took Lowlands out of agriculture, they took Frere Pilgrim out of agriculture, they took Newton out of agriculture, to name but a few, and as a result Searles factory, which was then one of the most efficient sugar factories in the island, was forced to go out of production because the surrounding areas that used to supply the factory with canes were in themselves out of agriculture.

He was a beneficiary of that policy, because he and others were busy acquiring the Hope Plantation in St. George and trying to subdivide it, but nonetheless he spoke with a total lack of shame, as though the problem of idle lands is a creation of the Barbados Labour Party.

Dr. R. C. HAYNES: On a point of order.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker....

Dr. R. C. HAYNES: On a point of order.

Hon. Dr. R. L. CHELTENHAM: he has been illuminated today. He did not come here today to take part in the debate, and that is why so much naked innocence passed for knowledge today.

Dr. R. C. HAYNES: On a point of order, Sir. The honourable Member has said that I and others acquired the Hope Plantation in St. George and sought to subdivide it. I would just like to say that that information is incorrect.

Hon. Dr. R. L. CHELTENHAM: That is an old trick, Sir, indicating that it is incorrect. Since he is in charge of the information, Sir, let him tell us what is correct. I stand by what I say, that he was a beneficiary of that policy which was destructive of agriculture in Barbados.

Now, Sir, let us get back and deal with the question of the price support which the Government has devised for the sugar industry, and let me say that it was an attempt on the part of the Government to arrest the deterioration in production in the sugar industry and to ensure that the bottom 15 percent to 30 percent of the industry remain in sugar.

The position is that after a good year in 1980, when we produced 135 000 tonnes of sugar at reasonably good prices, we ran into a bad year in 1981, and we ran into another bad year in 1982, to the point that we have moved from 135 000 tonnes of sugar to 88 000 tonnes.

It is clear that the industry is on a downward slide, and if we were not to allow the industry to go on the decline, it was necessary that the Government intervene and give some support to the industry at this very critical time in its existence.

Mr. Speaker, what was the alternative? This is the question which we must ask in trying to answer those on the other side. What would have happened if the Government did not intervene and give a price support equivalent to an additional \$20 for every tonne of sugar produced in this country?

That is what the price support has meant, not to the so called big barons, whoever they are, alone, but to every sugar producer in this country, from the smallest to the biggest. This is one of the important considerations which we must bear in mind in dealing with the price support formula; no discrimination whatsoever was made. It applies to the peasant farmer as much as to the large estate owner.

We were in no doubt, Mr. Speaker, that had the Government not intervened in the manner in which it did something like 15 percent to 30 percent of the sugar producers, including virtually all the peasant farmers, would have gone out of sugar production. That is why, contrary to some advice that we should give a price support in relation to next year's crop, we felt that we had to intervene now and arrest the deterioration by making the price support related to the 1982 sugar crop.

We hear talk, Mr. Speaker, about Barbados Sugar Factories Limited, as though they are the most irresponsible group that we have ever witness run any business in this country.
5.10 p.m.

I need not make any case for the representatives of Barbados Sugar Factories Limited. I need not make any case for the owners of sugar estates in Barbados. In many respects they are open to a lot of criticism; they have not moved the industry ahead in the Eighties in a way that they ought to have done.

But let it be said, notwithstanding what was said by the last honourable Member, that as far as the processing of sugar is concerned, their technical efficiency is something that many sugar producing countries around the world applaud and admire and would like to emulate.

Let it be said further that as far as the marketing of the sugar is done in Barbados, we are regarded across the African, Caribbean and Pacific countries, in the ACP bloc, as perhaps the most efficient marketers of sugar in the entire developing countries.

Let us not knock the sugar producers entirely. They have served this country well, but because of the fact — and this was implicit in the debate — that they are white for the most part, we heard the argument about the structure and the ownership of the industry.

That is only another way of attacking the people because they are white, and we have been living with that for many years now in this country. The area constantly under attack, but we ought not to allow that to rob us of objectivity on this side.

The sugar industry is critical to the well-being of this country, and the Government ought not to be ashamed of coming forward and giving price support.

When we support the sugar industry in this country, all we are doing is supporting Barbados, so all of this talk about having fundamental objections to the price support because of the structure and ownership of the industry is just another way of attacking the sugar industry because the majority of the plantations are still in the hands of white people.

Whenever there is talk about the sugar industry in Barbados, the debate cannot be conducted with objectivity, because of the fact that people cannot separate the colour of the people who own the industry for the most part from the fact that we are entitled to see their contribution in objective terms.

The impression has been given, Mr. Speaker, that the Government is taking millions of dollars and giving it away to the so-called sugar barons of this country without any regard whatsoever for the interest of the taxpayers.

The truth, Mr. Speaker, is that Government has insisted on certain linkages, certain pre-conditions which have got to be met before the price support can be made effective. The Prime Minister has already dealt with one.

We have had price support formulae in many countries in the past that have failed in relation to the sugar industry, including neighbouring Jamaica, but this is a price support formula with a difference, because we have a production formula linked to the price support formula.

What is intended here is to ensure that the low level of 88 000 tonnes of sugar produced this year is very much improved upon, to the point that we are hoping that by 1984 we will return to the 135 000 tonnes of sugar which we produced two years ago. That is the first distinction.

The second distinction is that there are several other linkages designed to address the problems facing the sugar industry. I want to refer to one or two others.

We agree, Mr. Speaker, that cane fires constitute the number one problem facing the sugar industry in many respects. This year we lost something like 13 000 tonnes of sugar as a result of the burnings, and one of the linkages of the price support formula is that the sugar industry must let Government know very shortly what new initiatives they are taking in relation to reducing the incentives to the industry for burning canes.

I agree with the honourable Member for St. Michael South Central when he said that the only study done on the incidence of cane fires in Barbados would suggest quite conclusively that the fires are industry-related. That means, Mr. Speaker, personnel in the sugar industry; whether it be the owners, managers or workers. That is what it means.

It makes no sense trying not to spell out that for fear that somebody outside accuse you of saying it means personnel in the industry. That is what it means. In all my life and all my years in public life I have spoken frankly, and it means that the people who are connected

to the sugar industry, either as owners, managers or workers, are the people who burn the canes.

So, for the most part, we can ignore any fires resulting from accidents, that people are driving in cars along the road and unwittingly throw out a cigarette and as a result canes are caught, or, alternatively, that children in order to create excitement for themselves burn the canes.

The one study that has been done has completely destroyed all these other theories about the causes of cane fires, and I have already indicated, and the Government has indicated to the sugar industry that in-so-far as there is an incentive in the fire insurance schemes, that those incentives must be removed. We have already indicated that and we need the support of the workers' representatives in this, that there must be a large disparity in income for cutting green canes as opposed to burnt canes.

We have also got to look at the whole question of the type of mechanisation in the sugar industry, because there is no doubt that some of the Australian machines that have been introduced into Barbados in the past demand a very high tonnage of cane in order to make them economical to run. Since you do not get that high tonnage from green canes, it pays the owners of these machines to burn the canes so as to get the 40, 50, 60 or 70 tonnes a day into the harvesters to make sure that they are functioning economically.

But that is not all. This is a very complex problem. It is also true that some managers do not like to be involved in reaping beyond June. When it comes to May, they want to speed up the end of the crop, and as a result, they too have an interest in burning canes for that reason. These things have been told to me by the virtual leaders in the industry.

This is no secret now, the fires are industry related, but the point I want to make is that the Government has linked the price support formula to new initiatives to lick this problem of cane fires.

The impression must not go abroad that the Government has just taken money and given to the barons of the sugar industry like that, and that the Government has not taken the opportunity, Mr. Speaker, to ensure that it stamps its direction and guidance on the industry.

The Government's regulatory functions in relation to the sugar industry have increased in recent years. Government is more and more taking a positive and leadership role in the sugar industry, even though the industry remains in private hands. We take the view that it is a national industry, and to that extent it is important

that the Government should have a large share in the industry without nationalising the industry.

I would very much like to see the industry continue to be in private hands, but I feel it is proper, and we are along the right course, that the Government should play an increased regulatory role in respect of the sugar industry, and we have used this price support formula to stamp Government's ideas, Government's direction and leadership on the sugar industry.
5.20 p.m.

Moving to another point, Mr. Speaker, I ought to make it clear that we have insisted that the industry must be re-organised in its management, because while it is true that the industry has served us well in the past, it is also true that the Sugar Producers' Organisation is run, as someone has said, like a cross between a secret society and a social club.

We feel that that is not in the best interest of Barbados at this point in time. There is need for new blood in the thinking of the sugar industry. There is need for a clear understanding of the challenges and priorities in the industry.

But there cannot be any doubt about it, Mr. Speaker, the Barbados Sugar Factories Limited, Sir, which will be issuing authority for the bonds, is as qualified to issue and administer the bonds as any other organisation in Barbados.

The Government has built into the Bill certain controls apart from the fact that the Barbados Government has membership in the Barbados Sugar Factories Limited — remember that, the Government has membership on the Board — but apart from that, Sir, the whole bond issue will be administered in consultation with the Government, and at every stage in the proceedings, Mr. Speaker, the national interest will be protected, not only because of the fact that we have representatives on the Board, but because the Government itself, in the form of the Minister of Finance, the right Honourable Prime Minister, will be there overseeing the administration of them in part as custodian in the national interest. So I do not know what these fears are about.

Now I want to address another point that was raised by the honourable Member for St. Michael South Central. He advances the specious argument, Mr. Speaker, that every time the Government guarantees a loan, the Government is by definition increasing the National Debt.

Let us take the argument from the position of the private individual. You mean to tell me, Mr. Speaker, that every time I back a loan for an individual I have increased my indebtedness? It does not follow in relation to the

private individual and it does not follow in relation to the Government either.

There may come a point at which your indebtedness is increased, and that is the point in which the person for whom you have guaranteed the loan refuses to pay back; but until that point is reached, Mr. Speaker, your indebtedness is not increased.

It remains only a contingent liability, but he would have us believe that every time a Government guarantees a loan it means immediately that the National Debt of the country is increased, as though it follows, automatically, that they will be defaulting on the loan.

Dr. R. C. HAYNES: On a point of order, Mr. Speaker. You will recall that I was most particular to point out that conventions vary from country to country. I even quoted the example of Mexico where contingent liabilities are considered part of the National Debt. I even used the term that I did not think that there was any dishonesty because it was not included in the National Debt in Barbados. So the honourable Member clearly cannot accuse me of advancing a specious argument when I pointed out that it was a matter of a convention, and I gave a concrete example of a convention. That is a fact.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, I think that that sort of point had to be addressed, because I have no doubt that in the next day or two, much of what he has said in this House will be carried on the air waves of this country, Sir, and people who themselves are not in a position to critically examine these arguments will feel that the great grandstander in Parliament, the great "know all" the honourable Member for St. Michael South Central, has once again managed to identify areas of weakness in Government policy.

Far from that, Mr. Speaker, Government in introducing a price support is demonstrating clearly that they appreciate the fundamentals of the national interest, and there can be no doubt that the sugar industry in Barbados is one of the pillars of national stability, and even prosperity, because I will say that I think that any careful study of the fortunes of the sugar industry will demonstrate that when the sugar industry is in decline, generally, economic activity is also in decline.

I want to return to a point which I made earlier, Mr. Speaker, and that is that the price support is really a stabilising mechanism and that it is linked directly to an increase in production.

Initially, Sir, the price support is in the form of a loan, but we have set certain production targets which, in our view, Sir, any reasonably diligent grower can meet, and once those targets are reached, the loan will be converted in part into a grant.

If that were not done, Mr. Speaker, there would be no incentive to return to the high levels which we have had in sugar production in the past, and at the end of the day, the sugar growers in this country, including the small peasants for whom you have so much regard, so you would have us believe, would still be heavily indebted to the banking system.

But the Government has no sense of shame, Mr. Speaker, about what we are doing in relation to offering the sugar industry price support at this point in time. And I want to say this, I do not support the gloom which is an essential part of the analysis of the Opposition with respect to the sugar industry in the short and medium term.

It is a fact, Mr. Speaker, that there is over-production of sugar in the world. It is a fact that cane sugar has got competition from other substitutes particularly corn fructose and beets. It is a fact that in recent years the European producers have had exceptionally good crops. It is a fact too, Sir, that the Europeans are encouraged to produce good crops, not only by good weather, but because of the price support which they get from their Governments.

But we in Barbados are in the fortunate position, Mr. Speaker, where over 80 000 tonnes of the sugar we produce has a sheltered market.

When you take, Mr. Speaker, the 15 000 tonnes which we need for domestic purposes, and you add the 20 000 tonnes or thereabouts which we have to sell under the country by country quota which the United States has offered us — that has recently been reduced slightly — they said it was 21 000 long tonnes and then recently they came back and told us that they have been forced to reduce it slightly — and when we add the 50 000 — odd tonnes which we sell to the European Economic Community, we end up with over 80 000 tonnes of sugar in Barbados going to a sheltered market.

I have no doubt, Mr. Speaker, that with sugar in decline in Jamaica and in Trinidad, we could find ourselves in the very fortunate position where every tonne of sugar that we produce in this country has a secure market.

5.30 p.m.

The other point which I think is important to make, Mr. Speaker, is that sugar is cyclical in nature. We may argue that all our primary products are essentially cyclical in nature, but it is particularly true of sugar. I need not tell you, Mr. Speaker, you have been around longer than I have been and you know that all during your time sugar has had its high points and low points.

On the average, it would seem that every six to seven years we have exceptional prices, in between there

we would have at least one or two fairly high prices, and there would be succeeded by a period of low prices, and we are going through a period of low prices right now.

The very fact that the prices are so low now, Mr. Speaker, will pretty well guarantee that prices will become high again. The fact that the world price is low means that a lot of people who have options in the sort of crop that they produce are going out of sugar and into other crops, so sooner or later we will have a shortage of sugar on the world market resulting directly from the fact that the price now is particularly depressed.

I have no doubt, Mr. Speaker, that in two or three years we will again return to higher prices, but it is the nature of the industry, and I feel that we ought not push any panic buttons at this point, write off the industry, or behave as though this is the first time in the history of the sugar industry that we have experienced this sort of thing.

The second point that I wish to turn to now of a broad nature, Mr. Speaker, relates to the widespread argument that somehow the marginal estates in Barbados, particularly those situated in the south eastern corner of Barbados and in St. Lucy, ought to be cutoff completely from sugar production; they ought to be abandoned as far as sugar production is concerned, and we ought, somehow, to find some alternative vegetable or root crop for them which will allow us to save on the food bill and perhaps even find an export market.

That is the argument of those, Mr. Speaker, who have given only superficial attention to this problem. If we are to continue with the sugar industry, Mr. Speaker, it has to have a minimal scale of operation, the so-called notion of the critical mass. It has to have a certain minimal scale in order to support its research and development activities.

You cannot have a viable sugar industry in Barbados producing 60 000 tonnes of sugar; you cannot have a viable sugar industry producing 80 000 tonnes. From all I have been able to read, it would seem, Mr. Speaker, that if we are to maintain a viable sugar industry, we are talking about a minimum of between 120 000 to 130 000 tonnes of sugar.

If we agree that in the medium term, before even going into the long term, we are to continue with the sugar industry in this country, it means, Mr. Speaker, that we cannot rely on the high rainfall areas in St. Joseph and St. Thomas and in St. George alone to support the sugar industry. We will also have to meet a formula to ensure that the efficient producers in the marginal areas are also allowed to continue into production.

That too, Mr. Speaker, is one of the critical linkages of the price support formula. We made it clear to the sugar industry that the payment system which was introduced last year had to continue indefinitely, or else there would be no payment by the Government.

We feel that it is critical to the future of the sugar industry that the marginal, but efficient, estates, situated, as I said, for the most part in the south eastern corner of Barbados and also in St. Lucy, the so-called dry areas, remain in production; otherwise, the industry would be completely robbed of its critical mass, that minimal scale of operation, and in the short run, not the long run, the industry will collapse. There can be no doubt about that.

So when the honourable Member for St. Michael South Central gets up and speak in a facile and deflatory manner, suggesting that he has all the answers and so on, Mr. Speaker, all those who have studied these problems....and the sugar industry needs no study, let me put paid to that argument.

The Farley Commission went into the sugar industry in the early 1960's. It was one of the first steps taken by the Democratic Labour Party's Administration. I believe it is fair to say that no two members of the Democratic Labour Party's Administration Cabinet read the Farley Report. There was considerable dispute as to whether the Government would allow a minority report. It was just pigeon-holed and ignored when it came out. Since then, we have had the McKenzie Report from the sugar industry and more recently you have had the McGregor Report.

There is no shortage of ideas with respect to what needs to be done now in the sugar industry. It is a whole question of will and determination to make sure that things are put into place at a rapid pace. But what needs to be done in the sugar industry in Barbados is not in doubt and we do not need any further study in relation to that.

A lot of people, when they have nothing to say, get up and call for a study — but a study of what? The McGregor Report is dated July 1979, and this was, I believe, the first statement of the McGregor theme. Since then, all sort of detailed sub-studies have been made, and there is no need for any further report with respect to the sugar industry.

What is needed is the will and determination, and to the extent that changes in the sugar industry will affect one or two people, the Government has got to insist that a rigid timetable be met with respect to what needs to be done in industry, because there is a lot of insecurity at the top of the sugar industry that the changes that need to be brought about will result in one or two people losing their traditional positions of power and authority. That is one of the big problems with respect to the changes. I just want to say, Mr. Speaker, — I know that

my time is running out — that the Government has completely stamped its authority on the industry insofar as it has insisted that the price support formula be linked up with the critical problems of the industry which we have attempted, and which we are attempting, to address.

Mr. L. E. SANDIFORD: Mr. Speaker, this Honourable Chamber is being called upon to deal with a matter relating to the sugar industry, and the piece of legislation that is before us raises a number of fundamental questions.

First of all, I would like to make a few general points. Sugar has been inextricably bound-up with the history of this country, almost from the very foundation, after the early attempts to grow other crops had failed, and the social and political and economic evolution of Barbados has sometimes been seen in terms of the rise and fall of sugar, the sugar planters, and the planter class.

I want to make this clear that in my view sugar was and sugar is a most important crop to this economy, and I am not one of those who say that we should get out of sugar. I would say that this country should do all in its power to remain in sugar unless, or until, a better alternative crop can be found.

To date, according to all of the research that has been done, no such alternative is yet on the horizon, because the sugar cane as a grass is best acclimatised to our environment.

5.40 p.m.

It is hardy, it resists the hurricanes and the winds, you can depend on it for a number of propagations, you can get a number of crops from it, and it may be self-fertilising as well. So, on all grounds it is a suitable crop, but there are problems involved in it, and very deep problems involved.

From all accounts, the cost of production is high. From all accounts, the labour for the harvesting and processing of the harvested crop is insufficient. From all accounts, attitudes towards this particular industry do not contribute in all regards to the most viable industry that we can have, and then there are related problems which have not really been touched upon today, problems relating to the transportation, problems relating to harvesting, and of course we have been dealing with problems relating to the financing of the industry.

We must be clear about what we are called upon to do in this particular piece of legislation to do. I believe the Minister of Agriculture sought to bring some balance back to the debate by virtually agreeing with the main trends of analysis as advanced by the Member for St. Michael South Central. They were in agreement on a number of points, and I believe that we should have our feet firmly on the ground when dealing with this most vital industry.

What we are being called upon, and what the people of Barbados are being called upon to do is to give massive support to an industry which has been around this country for a very long time, as I have said, almost from the foundation of the colony itself. We are being called upon to give support to the establishment of a fund, to give support to the view that the sugar industry should be enabled to place bonds on the market, and that those bonds should be guaranteed by the Government of this country.

Before I deal with those two aspects, I wish to make another point. It has been indicated, I believe in other places, that a top executive in the Barbados sugar industry is to become the Chairman of the Barbados National Bank Board of Governors. I have the highest regard for that top executive of the Barbados Sugar Producers' Federation. He is an ex-public officer who has made an outstanding contribution towards the running of this country and the maintenance of the finances of this country. He has left the Public Service and he is now working with the sugar industry.

The sugar industry, through the plantations of this country, is one of the major debtors to the Barbados National Bank through the Agricultural Division.

I am raising the question as to whether there would not be a conflict of interest in making a top executive of the Barbados Sugar Producers, a top executive in the sugar industry, Chairman of the Barbados National Bank, to which that sugar industry is deeply indebted, according to the information given by the Prime Minister and Minister of Finance here.

On the basis of the information that we have been given, whether it is in terms of the harvesting, whether it is in terms of the processing, and whether it is in terms of financing carrying over crops, or whatever it is, the sugar industry in this country has substantial dealings with the Barbados National Bank, and I am raising this fundamental question.

I am not calling into question the integrity of the officer involved. What I am saying is that in making him Chairman, or offering him the chairmanship of the Board, are you not running the risk of raising the problem of a conflict of interest?

In that particular bank, which emerged out of the Barbados Savings Bank, and which contains the savings of small persons in this country over the years, and which we supported from this side as the establishment of a viable and desirable institution — I said it was one of the major financial development institutions of the Government and the then fledgling Minister of Finance — we gave him that credit at the start — it now appears, or a gloss could be put on this action that it appears that this bank, which is

supposed to be a national bank, is now being handed over to the sugar industry of this country by making its top executive identical with the top executive of the sugar interests in this country.

I leave the Government to rebut that particular question. I raise it, it is a fundamental question, and I hope that that particular matter is addressed and that the disquiet which I share on that particular point can be laid to rest.

The second point I wish to raise relates to this question of bonds, and I have some queries concerning that. As far as I am aware, the sugar industry in this country, apart from the small producers, is made up of a number of companies, whether it is Barbados Sugar Factories Limited, Barbados Sugar Terminals Limited, I believe, or the Barbados Sugar Producers Federation. I would like to ask the question, why is it necessary for the Government to get involved in this question of the issuing of bonds by a private company?

5.50 p.m.

The Government, or rather the Agricultural Development Corporation, has certain interests in some of these companies, but it is a private company, or a group of private companies, and I am asking the question, why does the Government have to get involved in this?

If the Government is interested in developing the capital markets of this country, if indeed this House might be called upon soon to look at the establishment of a Stock Exchange, why is that just on the eve of the establishment of that securities market, the establishment of a Stock Exchange, we must come in here and guarantee bonds and enable, as a Parliament, a group of private companies to issue bonds for the raising of money?

I believe the Government should answer this question. During the introduction of this measure, and during the speeches of the spokesmen from that side, this particular question has not been addressed.

The private companies in this country should be able to go to the capital market and raise what funds they want for what purposes their Memoranda of Association or their Memoranda and Articles of Association may indicate, that is until we get the new Companies Act. Why is it necessary for the Government to become involved in this particular measure?

We know that this is a Government that has placed its financial faith in bonds. Other governmental institutions, or, as they are sometimes called, para-statal institutions, have been enabled to raise bonds.

But now we are giving a guarantee to the sugar industry for the raising of bonds, and I am skeptical about this. By all means if the sugar industry wishes to raise money, and it needs the money, let it go to the capital market to raise those funds. The Government should say why it has found it necessary to come in in this particular regard.

The other point I wish to raise relates to that point, but now it is a kind of catch-on situation, because this particular measure that is before us tells us, "all right, as a sugar industry you go ahead, issue your bonds," but then the legislation is telling us that if for any reason there is a failure of the bonds, the taxpayers of this country will come in and will do whatever is necessary for the redemption of those loans.

We will be looking a little more closely at that particular clause in Committee stage, because we will want to know. It does read as though you are saying from the very start, or there may be an implication, or a suggestion, however slim, "we have some doubts as to whether this money may be repayable by the sugar industry, and in that event let us make it known to all and sundry, to John Public, that as a Government we will take the necessary steps to make good any default", as the Bill itself says.

The Bill itself says that if there is any default, then the Minister shall direct that the repayment of the amount be made out of the Consolidated Fund, which means that the taxpayers of this country will be called upon to meet that particular default.

A question has been raised. Today it is the sugar industry. If tomorrow, as has been argued, the tourist industry indicates that it is also a very vital interest in this country and that it is going through very hard times, will the Government then come also to this Honourable Chamber and say, "we authorise you to issue bonds and out of the Consolidated Fund any default would be met."

The tourist industry can also advance the argument that we are a fundamental sector of the economy of this country, we employ a large number of people and we make a significant contribution in good times to the economy of this country, and therefore this kind of support should be extended.

What is there to stop the manufacturing sector from coming with similar arguments? Nothing except the Minister of Finance. (I do not know if he has anything against the top officer. I do not know what it is).

These are some questions that we have to ask. I believe that the Government has been faced with a very difficult decision, because whatever success sugar has been able to achieve over the years has in large measure been

due to the fact that it has had a guaranteed market, a market that has not been guaranteed to other non-sugar agriculture in this country, but now the bottom of that market has fallen out and sugar is in problems.

I am issuing a warning. It appears to me that the Government is getting drawn into, is being sucked into, more and more deep economic problems and that they are taking some short term measures, which, later on down the road, can spell very serious danger for this entire economy.

There are those who argue that we are already in that deep situation, and those words which are uttered, particularly by the front bench spokesmen of the Government in the euphoria of victory, or in the cut and thrust of debate, do not make for the necessary climate which would lead to a rational analysis of the problems and a solutions to those problems.

I well remember the honourable Member for Christ Church East, the Minister of Agriculture, blaming the Democratic Labour Party for the cane fires when they brought in the Cane Fires Prevention Bill in this Honourable Chamber. He said it was the Democratic Labour Party that was doing it. Well I have lived to hear him today say fires are industry related, caused by people in the industry.

I am not knocking you; I know you have enough problems with the Minister of Finance, because there is a fundamental difference of approach between agriculture and finance on this question of agriculture, and I believe it is the Minister of Finance who has a problem now. I believe so. (*Asides*) (Ebony and Ivory live together; they are working in harmony).

So we have this particular situation, because out of the Ministry of Finance we have a particular theory — that as far as agriculture in this country may be concerned, the approach is for a strong sugar industry earning revenue abroad and out of that revenue you finance the imports which may be needed for a small open economy.
6.00 p.m.

But that is not working at this stage, because there are no earnings as such to be made. Sugar is at a low ebb and the Minister of Agriculture, who has a responsibility to the clients of his Ministry, who has a responsibility to the agriculturalists of this country, and to the people of Barbados generally, to ensure that there is security, not only in terms of defense measures but in terms of food security, is arguing that there should be a more balanced agricultural sector in this country.

Now I do not take the argument I have listened very carefully, I have turned it over in my mind, and I think that on balance, when we analyse the approach of the Prime Minister and the Minister of Finance, we will find that he will have to amend his particular approach in a number of respects.

Let nobody fool you. Barbados is capable of producing food to feed the people of Barbados. Barbados is capable of producing all the food to feed the people of Barbados, because, basically, when you analyse the nutritional needs of this country and break it down into your carbohydrates, your fats and your proteins together with the vitamins and so on, we can find them from the things that will grow, and grow reasonably well, in this country.

Rice is a carbohydrate, but there are other carbohydrates, and you do not have to eat rice everyday. Barbados is capable, so that is the first amendment to your overall theory – this is now a question of approach – but do we have the will? Are we putting the necessary overall global approach to this problem and giving ourselves the necessary feeling that we can do it?

So out of that kind of fallacy is an overall developmental strategy making us believe that we cannot do this and we cannot do that. (*Asides*). All right, I know, rice. Barbadians have been brought up on rice over the years and we will need to import rice, but at the same time we have got to look seriously; and this is time for a serious evaluation, or revaluation, of our whole attitudes and approaches to life and what may be necessary for living in this country.

We have got to do this kind of fundamental thinking. It is going to call for some courage, it is going to call for an analysis, and it is going to call for the people who are courageous enough to say, this is the position, this is what we are capable of, let us come together and try to do it.

The Minister of Transport is trying to do it as far as transport is concerned. I do not know what the present impasse is, Agriculture and Finance, Transport and Finance, I do not know, but we need somehow or another to start working together as a country and the Government has got to start working together as a team. (*Asides*).

I am talking from the Opposition. We will be the next Government, but I am talking from the Opposition, and you can take any statement from the Opposition and you.....

Mr. SPEAKER: Whilst addressing the Chair.

Mr. L. E. SANDIFORD: Yes, Mr. Speaker, you keep us together. You can say; well, "it would take three

Ministers to deal with this particular problem", but I think that when you get such answers it is systematic of the inability of the Government to co-ordinate its necessary approaches to problems, and that is at the heart of the matter.

So when we are talking of this question of sugar, we have to ensure that we are really focussing on the problems and that we are giving the kind of leadership that this country is looking for.

The sugar industry needs further direction. It needs to integrate the different elements within the sugar industry, including the small producers, and that industry needs to receive a feeling that it is an important industry.

I am now going into details because this Government that we have is a Government that likes to boast. It likes to boast as though the beginning of Barbados started in 1976.

We hear about production from the various agricultural sectors – as my colleague, the honourable Member for St. Michael West, had to indicate and correct them – but we have had high production from the agricultural sector. That has never been the problem in this country. The agriculturalists in Barbados can produce. The problem has been the marketing aspect and I believe that some progress is being made under the chairmanship of Dr. Basil Springer (*Asides*). That is a hoax too? Well I do not know. Whatever it is, I believe some initiatives are being taken.

The highest level of production in sugar in this country has not come about in the days of this Barbados Labour Party. You would believe that this country has produced more sugar in a year since they were in power than was produced when the Democratic Labour Party was in power. The highest level of production in this country for sugar was achieved in the 1960s by the Democratic Labour Party, and the Barbados Labour Party, since 1976, has not reached that level. It is time that you give the people the necessary statistics. (*Asides*).

They are talking about making 135 000 tonnes, or 116 000 tonnes or 105 000 tonnes I do not want to hear the because. When you say it, you do not raise the because; you say, "we did this" I praise the agriculturalists of Barbados. Onions, whatever it is, the development of the chicken industry as an industry, not just a backyard production; all of these were from the democratic years.

As for my argument, I do not have to go to page 402 of the World Bank Report to indicate that they have recommended to the Government that they should introduce a – what is it called? Is it a five stage bus fare? What are they asking for? Tell us. A five stage bus fare? Is this a multiple stage?

Mr. SPEAKER: A time stage.
6.10 p.m.

What page is it — 409? I wonder if the Prime Minister would lend us the Report?

Mr. SPEAKER: The honourable Member's time has expired.

Mr. H. A. BLACKMAN: Mr. Speaker, I did not intend to speak on this Bill today, but seeing how the debate has turned out, I decided to make a few points.

I am very glad Mr. Speaker, that my colleague, the honourable Member for St. Michael South, has brought this debate back to where I think it should be.

We are being asked here today Mr. Speaker, to support a Bill to provide for the establishment of a fund to support the price of sugar and related matters. And as far as this Bill is concerned, the sugar producers are being allowed to raise the money by means of bonds.

I believe that the crux of the matter here is whether we think the sugar producers, from their past performance, are really eligible and capable of handling this bond issue. I think this is the whole issue.

I only heard the last part of the Minister of Agriculture's speech, but I must say, Mr. Speaker, that he made two points coming to the end of his speech to which I have to address some remarks.

He mentioned that about 50 000 or 60 000 tonnes of the sugar which is produced in Barbados has a secure market. By that, he means that a greater part of it goes to the EEC under the Lome Convention and that sort of thing.

What I believe the honourable Minister should have told this House of Assembly is that although that is a secure market, the price of sugar in the EEC depends to a large extent on the supply and demand conditions within the EEC itself and the economic conditions in the EEC, and because of that, it could very well be that in any sugar year the price we receive for sugar would be less than the cost of producing sugar in Barbados.

As I said, the price depends on the economic situation within the EEC, and I thought that point should have been brought out by the honourable Minister.

Another point the Minister made is that sugar has its peaks and its troughs. We agree with that. But what I would like to know is whether this Government really knows, or did it really remember, that sugar will have its peaks and its troughs? If you remember correctly, Mr. Speaker, earlier this year there was a big cry in this

House of Assembly because the price of sugar had fallen and Barbados had received millions of dollars less.

The honourable Minister said that sugar has its up and its downs. We agree with this, because the free market is a residual outlet for sugar that you do not sell on contract or that you do not use in your own country, and because of this the price of sugar is subject to very wide variations, and these wide variations are the variations that cause the money you receive for sugar from year to year to also go with wide variations.

So if at the beginning of this year you cried out because the price of sugar was low, did you understand then that the price of sugar was likely to be low because of the vacillations in the market for sugar? Did you understand this?

This is another point I want to make. The sugar producers should have known, they must know, that the price of sugar is liable to go up and down from year to year. And the sugar producers will have to be told that they have to conduct their business exactly as any firm in Bridgetown or any other person in industry conducts his business. In a year of high prices, when you get a lot of money, you put aside for the year when the prices are low. You do not come the year when the prices are low and scream out and say that we did not get any money this year. This is how any business operates, and the sugar producers will have to be told this.

In this debate, Mr. Speaker, you have people saying, or the word is going out, that in the sugar industry there is a shortage of labour, a shortage of rainfall, and all of those things.

I would like to address myself to the shortage of labour, and Mr. Speaker, I am taking this turn because of how the debate went, because, as I said at the beginning, I believe that to give a history of the sugar industry would be better done under the other Bill. But since this is how it has turned, I will have to take this turn as well.

Mr. Speaker, as far as labour is concerned in the sugar industry, there has to be a radical change in the make-up of the sugar industry. Despite the high prices in the sugar industry, and we realize that the work in the sugar industry is very hard and difficult, one of the fundamental reasons why people are not going into the sugar industry is because there is no room for advancement.

As long as you go into the sugar industry with a bill or a hoe, you know if you go in there today that way, you are going to come out forty years from now the same way. Mr. Speaker, as long as people realize that they will always have the hoe, and other persons will always be

sitting on horses, no person will be keen on going into the sugar industry.

That is one point that has been looked at. There has to be something to do with worker participation in the sugar industry. There must be some incentive for people. The whole management structure has to be changed. These are points that have to be looked at.

The nature of the sugar market is so volatile that I am not yet convinced that the sugar producers will be able to repay this money that they will be raising. I am not yet convinced about this, and I believe that the crux of the matter is whether we think that those persons in the sugar industry are capable of taking control of these bonds.

The fact that the Government is supporting it, or guaranteeing it, as you may say, would seem to me that on the slight chance, or on the chance, that the sugar producers will be unable to repay, the taxpayers of Barbados will have to repay it. That is how it appears to me, and I believe what we should be addressing our minds to is if the sugar producers have demonstrated over the years that they are capable of being allowed to raise bonds in Barbados.

Thank you, Mr. Speaker.

6.20 p.m.

Mr. R. E. BRATHWAITE: Mr. Speaker, I am very happy to stand here to support this Bill. As a small farmer, I would say it is a very progressive bit of legislation.

I do not think we need to say much, we all know the record of the Democratic Labour Party in this island as far as agriculture is concerned. I heard the honourable Member for St. Michael South say just now that there was so many tonnes of canes in the 1960s, but I am sure that all of us here are not so young that we would not know that in 1961 we handed the sugar industry to the Democratic Labour Party as a vibrant industry, and everybody here, with me this afternoon can agree that we took it back a limping industry.

I have information here from the ADC. In 1974-75, when the Democratic Labour Party went around buying all the sugar plantations in this country, I said it was one of the good things it did, because it would be able to check and see the kind of money which the plantation owners were making, so I really expected that the Democratic Labour Party would have performed much better because they had the facts before them.

You know the ADC estates comprise three parts of St. Lucy, a certain amount of Christ Church, St. Michael and all around, and for the year 1974-75 they could only accumulate 14 236 tonnes of cane from thousands of acres of land.

In 1974-75 they realised the mistake they made. We all know that in 1974 we got the best sugar prices

we ever had in Barbados, but the Democratic Labour Party had no sugar for sale. They had the same land that it took our foreparents hundreds of years to prove that the cotton industry was just a waste of time in this country — and the Democratic Labour Party plunged this island right back into the cotton industry again to prove it to be a failure a second time.

In 1975-76, I think they improved, because they found out their mistake and they raised the acreage to 20 646 tonnes in the second term. In 1977-78, it was some 30 692 tonnes. In 1977-78 it was under the Barbados Labour Party Government — you can see the improvement — and in 1978-79, under the Barbados Labour Party regime, we went to as much as 41 924 tonnes.

In 1979-80 we went to 57 200 tonnes. I am sure you all know your mathematics and you can see that we doubled it, and you can see the performance of the Barbados Labour Party as far as the sugar industry in this country is concerned.

I would hate to know that in a day like this Barbados would be struggling like Grenada, St. Vincent and all those small islands to get back into the sugar industry. All of those West Indian islands were accustomed to planting sugar and being involved in the sugar industry. Most of those countries stopped planting sugar and today they are buying sugar at the rate of \$3.50 per pound, so you will understand the kind of problem that we have in this country and you can see the sense of this Bill.

As a small farmer, I said when I cut my canes this year, 1982, that I was finished with that, but as soon as the honourable Prime Minister of this country saw the vision to bring back life to the sugar industry, I went right back and ploughed my land again. Other people did, too. In my parish everybody is trying to go back into the sugar industry and into agriculture.

One of the things which made me very happy last night when I heard the news was that the Price Control Officer was saying we should make much of the cheap vegetables; eat plenty vegetables because they are cheap.

It is a disgrace to know that vegetables in Barbados are cheaper now in 1982 than they were in 1974. A lady working in the sugar industry in that day was getting half the amount of money she is getting today, and although the salary is double the amount it was in 1974, we are still getting vegetables today at a cheaper rate. I would say that is due to the good management of this Government and of this Minister of Agriculture.

I heard the honourable Member for St. Michael South Central speak about Portvale. I do not believe that he should have the face to come out and say something about the north, because when it came to anything progressive in this country, these folks went throughout the length and breadth of this country telling people the

Heywoods project was wrong, it was a bad project; Portvale now is bad, but the only thing good the Democratic Labour Party felt was good for St. Lucy was the cement plant. They gave us that, that was welcome, that was good for us as far as they were concerned.

I would like to go back a little to Portvale, Sir. We all know that in 1961 the Democratic Labour Party found two sugar factories in the parish of St. Lucy, and as soon as they came into power both of them were cut off completely. They did not care how the people in St. Lucy got their canes to the factory or got them reaped or anything like that, but this now is a party with a difference.

The crop finished this year in July and it finished last year in August, so what is the argument? To say that Portvale worked so badly, everything was delayed, and yet the crop was finished this year much earlier than it finished last year?

I would say that building a new factory is a big task. I heard the honourable Member for St. Michael West speak about Porters and Vacluse. There is certain equipment in a factory that does not wear too quickly. When Haymans was being built it took over some equipment, which is still there. Should we now throw away the equipment from Porters and that from Vacluse? That would be a waste of the taxpayers' money, that would be wastage in the sugar industry again.

We have to make the sacrifice, and I do not think we could have made it in a better year. It was made at a time when we have a fairly light crop, as I would say – through the fault of no one, it was the fault of the weather – we can still catch up in time to finish the crop before the time allotted.

He also spoke about this amount of dollars the Prime Minister spoke about. Do you know why I am happy about this? Years ago when this kind of money came about you only heard about the big man getting this kind of money, but thank God, we, the small men, will be sharing in this exercise. I am very happy about that.

Mr. Speaker, I would say that we should do all and we should try to encourage the honourable Prime Minister in his endeavours to help carry this sugar industry forward. We all realise it takes hard sweat to get things moving in this country where we all try to live a little better.

He said that the plantations are now finding themselves in bankruptcy, and I would say that this Bill is one to try to shield them from bankruptcy. I remember in 1980 the honourable Member for St. Michael West coming into my constituency and telling the people not to cut the canes – to let the white people of this country cut the canes, the Mannings and those people.

6.30 p.m.

We know directly that the Democratic Labour Party has a very bad track record with the sugar industry in this country. We all know that the first thing they started to do was to burn the industry, and I was so shocked today to sit in here and hear the honourable Member for St. Michael South Central say that the Barbados Labour Party.....

Mr. B. M. TAITT: On a point of order, the honourable Member for St. Lucy says that he has heard me say something about white people and cutting cane. Mr. Speaker, I have never said that in here.

Mr. SPEAKER: Point taken.

Mr. R. E. BRATHWAITE: Mr. Speaker, in the first speech I made in this House, I made it abundantly clear that I am a full-fledged member of the Seventh Day Adventist Church, and I am not here to tell lies on anyone.

Mr. SPEAKER: I think you mean to speak untruths.

Mr. R. E. BRATHWAITE: That is right, Sir. Those are the words he used, that when it comes to canes, he does not even want to cut one to suck. Those are the words he used in Half Moon Fort. He said let the Mannings, the Armstrongs and such people cut the canes.

Mr. Speaker, the Barbados Labour Party tried its best to stamp out the burning of canes in this country. They tried to employ night watchmen because we realised that you had more cane fires at night than you used to have them in the day.

I do not really know who chose those watchmen, but I will tell you that the two watchmen we had in the parish of Saint Lucy were strong campaigners for the Democratic Labour Party, and since we had those watchmen, we stopped having fires at night, because it would be quite simple that when you pay men \$200 a week and still you saw, the canes being burnt night and day the same way, you would stop employing them, because it was a waste of time.

Burning at the site was a bit different. So you can understand where all this cane burning came from. All day you would hear "fire, fire". There was no more night stuff, because the watchmen were members of the Democratic Labour Party. The people who really might be doing their own thing would not try to threaten the young people's jobs, so you would understand what really was taking place. (Asides)

Mr. Speaker, I am not accusing the watchmen. I never accused anyone. What I am trying to explain to you is what was going on as far as that was concerned.

I would like to refer to something the Minister of Agriculture said, and it is about the low rainfall areas. I

would be glad if he could introduce something which would help ease the poor people of St. Lucy, because we realise that we are in the driest part of the country, and I am wondering if the honourable Prime Minister would listen to him and try to give us a little ease, some incentive to encourage us, because we do not grow a big tonnage like the other parishes, which are in the heavy rainfall areas. I would be glad if the honourable Prime Minister would see fit to do something to help make us in the north a little happier.

Mr. Speaker, I am sure that everybody would benefit from what took place this year in the sugar industry, and I am sure the workers and the small farmers would also be happy. I am sure that up to this time, we, the small farmers, are satisfied with our produce, we are satisfied with the price we are getting, and the people of this country are satisfied with the prices they are buying their produce at. I do not have any fear. I am very happy to know that the people of this country can understand when a party is trying to work in their favour.

Mr. Speaker, I definitely believe that the time for fooling of people in this country is over and in the past, and I think we will have a long time before you can come back here and try to tell people the opposite to the truth, because most of the people today know truth and sincerity.

I definitely believe that in the last two weeks during which I was here, if the members of the Opposition had sat carefully in their seats and commended the honourable Prime Minister for a job well done and said he had come at the right time to save this industry, the whole nation of Barbados would be happy tonight to know that they agreed once with something good.

I think it is Shakespeare who said that the Opposition's work is to oppose, but I call it a waste of good time when people oppose for opposing sake. I would be glad if more supporters of the Democratic Labour Party would come to this Chamber week after week and listen to the kind of debate that the members of the Democratic Labour Party make from week to week.

Mr. Speaker, I would not try to say that I entirely know all about this Bill, but I think it is a very progressive Bill and I am all the way with it.

I thank you.

Hon. H. deB. FORDE: Mr. Speaker, let me begin by saying that even if I was not in Parliament, I would give my whole-hearted support to this measure.

Anyone who is familiar with the development of the sugar industry in Barbados, from its introduction into

this Island in the 17th Century very soon after the settlement of the Island of Barbados, must remain convinced that sugar is, and will for a long time continue to be, the major agricultural product suitable to the climatic conditions of this country.

Anyone who is familiar with the vagaries through which the sugar industry in Barbados and elsewhere has passed, must remain convinced that from time to time it would become necessary for the owners of sugar, as well as Governments who benefit from the cultivation and production and upkeep of sugar as a manufactured industry, to come to the rescue of that industry.

It has happened in Brazil, it has happened in Cuba, it continues to happen in the United States of America, it has happened in no uncertain terms in the European Common Market countries which produce beet sugar, and it has happened on several occasions in the Caribbean countries.

Only a couple of weeks ago, my son of 18 years was reading some of the historical documents of Barbados connected with the sugar industry, and in particular we were looking at the period between 1890 and 1903.

It was a period during which several estates in this island went into absolute bankruptcy; it was a period during which foreign ownership of the sugar industry was being bought out because they could not meet their debts; and it was a period when the imperial masters were still in control of the destiny of this country, and it was to them that we had to appeal to rescue the sugar industry.

At the time, a petition was addressed to the then Secretary of State, I think it was the honourable Neville Chamberlain, reciting the problems which sugar was having from the effect of beet sugar, from the establishment of high tariffs against the importation of Caribbean sugar and from the protection being given in the United States and elsewhere to sugar producers there, and they were asking for the protection against the low price of sugar on the world market. In addition, the industry was also being subjected to the predatory attack of insects and various animals which destroyed the sugar cane industry. Today we are faced with similar problems.

6.40 p.m.

The honourable Member for St. Michael South Central, if he essays to be taken seriously in his speeches, must first understand the historical developments of the major economic sectors in Barbados, he must recognise that a genuine shadow Minister of Finance does not, on a matter as vital to the economy as this, go only for scoring short-term and short-sighted political points based on expediency rather than an analysis based on a proper and sound economic judgment.

He must learn to restrain his tongue in making allegations that are unfounded, and not based on fact, and he must learn not to use injective and rhetoric which he cannot back outside, and would dare not repeat outside of the House of Assembly, particularly if it is in relation to the character of a particular person. Those are some of the things he has to learn, particularly in relation to the sugar industry. (*Asides*)

The honourable Member for St. Philip South wants to know what I am talking about and I am going to bring particular statements, because I wrote it down before I left the House temporarily.

He may accuse the sugar industry in general terms of mismanagement. But I think that it is not only lacking in charity, but it is untruthful for the honourable Member to insinuate that there were persons *en masse* in the sugar industry that were borrowing funds in the last year and using it for supporting their children and sending it outside of Barbados rather than in the problems confronting the individual ownership in the sugar industry — unless it was the honourable Member himself, who happens to be a sugar baron.

The honourable Member himself owns part of a sugar estate — why does he not get up and say that, through his company. The honourable Member himself. Get up.

Dr. R. C. HAYNES: On a point of order. I own a sugar estate, not as part of a company. I own it personally, 21 acres, 10 acres of arable land.

Hon. H. deB. FORDE: The honourable Member owns a sugar estate so when he comes in here opposing, he is benefitting from this Bill and he is talking in a two-mouth manner.

(Certain remarks made by the honourable Member for St. Michael South Central were ordered to be expunged from the records by Mr. SPEAKER.)

Hon. H. deB. FORDE: He knows that he is benefiting indirectly from the benefits of this Bill, so what is he talking about. (He is going to run out of the House when I deal with him on these instances, Sir). He can get in here and try to fool the 7 000 people who depend on the maintenance of the sugar industry for their employment, he can get in here and try and fool the smallholders who depend on the sugar industry when he is one of the biggest land owners in Barbados who stands to benefit from this very measure before the House.

What is he going to talk about? That is why he is going to run outside and talk. He knows he owns enough sugar lands in Barbados. He knows it — and comes in here playing he is declaring an interest.

Dr. R. C. HAYNES: Mr. Speaker, there are rules in this House....

Mr. SPEAKER: On what does the honourable Member rise?

Dr. R. C. HAYNES: On a point of order, Sir. There are rules in this House which indicate that Members should not seek to mislead this Honourable House.

I have said the only arable land that I own in this country is 10 acres of land at Hillbury in St. George, poor arable land, as part of an estate of about 21 acres. Anyone saying that I am a large landowner in Barbados is not telling the truth.

Mr. SPEAKER: Point taken.

Hon. H. deB. FORDE: The honourable Member obviously never understood the concept of 'plantation', because if he knew the historical development of plantations in Barbados, anything over 10 acres was considered a plantation. He is a plantation owner, he belongs to the plantocracy. That is what he belongs to, the plantocracy, so what is he talking about, Sir.

You see, unlike the honourable Member, I do not hide what I own. You see, I have it all here in Barbados. I do not have to bother about that, Sir. I have no Cayman Island company, none.

I want to get back here to the honourable Member and deal with sugar. Sugar is today retailing on the 'world market' at less than \$300 a tonne. Last week the production cost of sugar was \$300 a tonne. If you look at the future market, the outlook, as the honourable Member quite rightly said, for sugar in the immediate, looking at the future six months hence into next year, is even worse than that.

There is no person today in sugar, be he the small sugar cane producer, like the honourable Member for St. Lucy; be he the bigger plantation owner, like, for instance, the B.S. & T. Estate; be he the small plantation owner — he likes to be known as the small plantation owner — like the honourable Member for St. Michael South Central, none of them can today produce sugar in order to get an economical and sensible rate of return on sugar because of the world's economic conditions.

What are those conditions? We are in a position where the European Common Market has consistently been using and over-producing beet sugar, storing it — although it has given us a guarantee of 1.3 million tonnes for the whole of the ACP countries — and off-loading it at the proper time on the market to reduce the price to producers such as ourselves.

We are in a position, as well, where the European Common Market has been intervening in the 'world

market' conditions without becoming a member of the new convention on sugar in order to give the price support that is necessary.

We are in a position today where the United States has not only used quantitative, but qualitative restrictions as well, in tariffs, against the importation of sugar from other countries.

We are in a position today, if you are familiar with the working of GLAPACA, where the Latin American countries, and particularly the main producers such as Brazil and Cuba, are themselves having to look towards price support – or assistance, in the case of Cuba, of even asking for a rescheduling of her debts – because of the downward price in the world sugar markets.

It would be a reckless, irresponsible Government who did not, where such a large segment of the economy depended on the viability of the sugar industry, take positive measures in order to rescue that industry from collapse. The Government could not afford to do anything else than to give some sensible measure of incentives and short-term assistance to the sugar industry in Barbados.

We in Barbados are bedevilled with the fact that sugar is associated with slavery. That is part of our problem. There are too many people who believe that it is fashionable to lash back at the slave industry, to lash back at the fact that most of the managers in the sugar industry are still white, and think that that is the criteria that one should apply today in judging whether or not you should help the sugar industry.

6.50 p.m.

Before we had tourism, before we went into light manufacturing, we depended very strongly on sugar to have built up a lot of the infrastructure in this country. I make bold to say that if Barbados does not continue promoting its agriculture, and particularly its main agricultural product, it will never make the economic progress that is necessary to maintain the welfare facilities we have in our country. That is one of the sound reasons for support.

If I may go back again to the period of 1890 to 1903 and give you some idea of the estates which were in chancery, if you look there was what is now called Seawell, there was Coverley, there were about five estates in St. Andrew, there were a series of estates in St. George, there were most of the estates in St. Philip, all of them were in trouble because of the conditions which I outlined.

Now Sir, what are we going to say if we decide that we are not going to support the maintenance of the sugar

industry as a long term measure and as a long term industry for this country? Are we going to return to the position that the policy for the sugar industry is that we don't want to see one more cane blade in Barbados at all? The famous speech of the right honourable Member for St. John. Are we going to return to that stage and this is going to be the policy for the sugar industry?

Are members of the Opposition conscious of the fact that today some 25 000 acres of the agriculture land belongs to the people of Barbados, owned by the Government of Barbados? Are they conscious of the fact that even in some of the public companies which own some of the sugar estates, like the Barbados Shipping and Trading Company Limited, that the ownership of that company has shifted and today the major shareholders in that company happens to be insurance companies like the Barbados Mutual, which is owned by its policy holders – a lot of small people – and the pension funds of major employing companies, in which the workers themselves participate?

There is an indirect ownership by a lot of small people. Never mind who may be the legal front owner. The beneficial ownership of a significant amount of agriculture today is in the small man himself, either through the fact that the shares which are there are with his funds or his pension funds, or the shares which own the company are being held by a life insurance company in which he participates.

The problem with a lot of Barbadians is that they have not seen the shift that has been occurring in the economic ownership of the resources of Barbados, including the sugar industry. And very few of the black Barbadians who complain are prepared to go to meetings of these companies, or to go to meetings of any of the insurance companies, and exercise the sort of ownership that is necessary in order to participate more fully in the sugar industry. This is a fact. We need an up-to-date analysis of these changes in order to understand what is happening in corporate structure, corporate management, and corporate ownership.

The honourable Member for St. Michael West said he has taken a note of it. (*Asides*) Usually he wants to put me off. But the honourable Member should recognize that Galbraith, in one of his famous compositions and books, made the same point about corporate ownership in the United States – that people were not recognizing that the corporate structure, the ownership of the actual resources were separated from the management of the resources, and the persons who owned the beneficial ownership were not exercising sufficient control in order to change the management structure. The same applies to the sugar industry (*Asides*).

The honourable Member has apologised. He says that he does not know anything about Galbraith, that he never read it. I thought that at the university in the States he would have at least read part of that. The honourable Member knows. I will bring the book for him so he can read it. He knows. At least you should have read 'The New Industrial State' by now. The honourable Member should have read that so that he would understand what I am talking about.

What has happened is that we are slow, even in relation to the sugar industry to perceive that the shift in ownership is not keeping hand-in-hand with the shift of management, and we should do something about narrowing the ownership structure and the management structure. And we are not going to do it by merely looking back and harping back about the past, except insofar as the past is a guide for us not to make mistakes in the future which we have made in the past in this country.

I want to make another point, Sir, about the need for support of failing industries. Let me make the point simply, Sir. In Germany today, the major electronic firm, AEG — Telefunken is in the bankruptcy court. The German Government, led by a social democratic party and Prime Minister, will not run away from facing up to the rescuing of a major employer and a major plank of German economic development. It would come to it with financial resources in order to rescue it, as a sense of proper economic policy.

Let me deal with the closing down in Sudbury in Ontario. I am using these as examples, Sir. (The honourable Member does not understand argument by analogy. He had better go back to Aristotle and Plato and he will appreciate how he will argue your case, Sir) In Sudbury, recently, the major producer of motor cars and the bodies of motor trucks, closed down, and 5 000 people went out of work. The Government of Ontario and the Federal Government of Canada considered it necessary, between them, to put up over \$500 million in order to support and rescue the industry.

Chrysler Corporation in the United States, another major employer and another plank of industrial development in the United States, was in difficulties. Two significant things happened: aid support from the Federal Government under Kennedy, followed by Reagan, and, secondly, the unions representing the workers recognising the necessity to use their pension funds and the savings of the workers in order to underpin an industry that was important to them.

We would be blind if we do not learn from the sensible examples from other people when we find that the major industry in Barbados, because sugar is still the major industry in Barbados, has once again — not for the

first time, Mr. Speaker — has once again in the 300-odd years in this Island's history found itself in difficulty and needed support.

7.00 p.m.

Just as our forefathers, at the turn of the century and at the close of the last century, found it necessary to come to the rescue of the sugar industry and underpin it with economic assistance, and found it necessary to bring the maximum pressure on the then governing power, the colonial power, to provide money in order to assist; today, we, as the successors to the colonial power, must find that assistance as well.

There is no longer any Mother Britain to lean on in order to send delegations up to Britain asking the British taxpayer to put the money up. It has to come from within our own self-reliance, and it can only come from our own self-reliance if we have a scheme to bear the cost, and what better way to do it than by the issuing of bonds so that the industry itself, when it recovers, can pay back the cost involved in rescuing the industry.

Mr. Speaker, I am not persuaded by the argument of the principal spokesman for the Opposition. I will tell you why. I remember, Mr. Speaker, when we were in the Opposition and the International Seafoods Limited came in here, the then right honourable Member and Member for St. John came in to guarantee \$1.3 million for International Seafoods Limited, (ISL), using part of the sugar funds to underpin private investors from the United States, and this country has had to lose that money.

Mr. B. M. TAITT: If the honourable Member will give way, on a point of elucidation. I believe the honourable Member was not here when I made my speech and therefore is not aware that the point he is making now has been canvassed. We made the point extensively that we accept that the Government could guarantee a private industry, because we had done it, and the same International Seafoods Limited was cited as an example. I think if the honourable Member had been here he would not take the point he is taking now, Sir.

Hon. H. deB. FORDE: I would have taken the point. I will tell you why I would take the point. The difference between that exercise and this is that that exercise was done and we had to force the information out of him. You specifically, Mr. Speaker, had to force the information out. Secondly, the share ownership of ISL, of the people behind the throne, was never revealed. Thirdly, we were never given enough financial information. Fourthly, ISL was not a major employer, and, fifthly, ISL did not have the significance in the industrial, the manufacturing or any other segment of the economy of Barbados as the sugar industry has had for us all. That is the point I am making. In other words, the judgment then was bad, the judgment now is correct.

I am saying, therefore, if I may summarise, Mr. Speaker, that there is a historical precedent not only in Barbados but in any right-thinking country for maintaining their major industry, particularly in agriculture.

Secondly, the historical development of the sugar industry in Barbados has been such that we have had on previous occasions, whenever sugar has gone through one of its rough cycles, to have done as we are doing today. Anyone who has studied the history of sugar recognises that from time to time in the graph and in the cyclical life of the industry, this type of exercise is possible.

Thirdly, Mr. Speaker, the Government's measures, although they have a contingent liability for the taxpayers, will most likely never result in that contingent becoming an actual cost for the taxpayers of this country.

Fourthly, Mr. Speaker, even if it became an actual cost to the people of this country, the importance of sugar to the economic life of Barbados is so vital that it is a low cost to pay as against the alternative of allowing the sugar industry to collapse.

Fifthly, Mr. Speaker, something that I do not like to say. I believe it is less than charitable to characterise all the people in the sugar industry in one bunch and to attack them in the manner in which I have heard the honourable Member for St. Michael South Central attack them.

Sixthly, Mr. Speaker, I would be the first to admit that there are some aspects of industrial development, particularly including the sugar industry, that are in need of graphic change. For instance, Mr. Speaker, like the facilities being provided on the estates for the workers and the workers' welfare, particularly the women — let me make the point — but there are signs of change, change that some honourable Members are not even recognising.

As we become more and more mechanised in the sugar industry today, we will notice that the people who are going back in and are prepared to stick behind it are some of the very young white boys that we are going to run down on the basis of colour. They are prepared to drive the tractors, to help repair the equipment, because they go into the technical skills, while some of our own people who should be moving into management and ownership are trying to turn sugar behind us rather than to get into it, mechanise it and improve it. Those are facts that we do not recognise.

Mr. Speaker, I know for a fact that you can earn as much as \$800 a week during the crop time from driving a tractor cutting cane. We are not recognising that the sugar industry itself has been in the forefront of change in the industrial sense.

The developments that have taken place in producing the cane-cutting machinery, for instance, patterning it, and offers a good alternative for the future of Barbados, and therefore if we must now grapple with the problem of restructuring the sugar industry, whilst rescuing it at the same time, this Government must be prepared to face up to it — and it cannot allow the historical stigma of slavery, it cannot allow the rhetoric of being accused of doing something for a plantocracy to run away from its bounden duty to the Government and people of Barbados.

I would make this speech not only in Parliament; I would make it in any constituency, Mr. Speaker, without any detriment to the support from the electorate which this party or myself can obtain, because the people of Barbados have a basic common sense where their economic future is concerned.

That is one of the reasons why I not only congratulate the Prime Minister who has led the measure, I congratulate his Minister of Agriculture, who also has the commonsense to begin to deal with these matters without a hang-up, without the big chips on their shoulders that some black people seem to have. Too many of our black people today see things in terms of colour only, and we have chips bigger than ourselves, rather than recognising that we are now the masters of this country and we rule it, and we must also make the changes that are necessary without being afraid of ourselves. That is what we must do, and try to get all of the other irrelevancies out of the debate.

I have listened to honourable Members. The honourable Member for St. Lucy is right, talking about let white people go and cut canes. White people are cutting the canes, they are driving the tractors. That is what they are doing today. A lot of them are doing it themselves, and more and more you are going to get the estates reducing their labour and becoming family oriented as well. That is what is happening.
7.10 p.m.

If we are going to judge whether the industry should survive on the basis of colour, we are not worthy of being citizens of this country as a whole. We cannot judge it on that solely.

There are some features of the industry that we would like to see change rapidly — I do not know how many people have read not only Dr. Farley's Report, but the most recent report — and we have to deal with that, but we cannot approach this question, we should not approach this question, we should at all costs avoid approaching this question simply on the basis of the fact that this sugar has been associated with a past that none of us could be proud of.

We have to approach it on the basis that from the historical legacy we can build for sugar and for Barbados a different structure, a different management, a solid industry in which all citizens can participate, where the ownership is wider, the industry is sound and it does not matter whether you are black, blue, red or anything of the sort. That is where we must be going in sugar.

The Prime Minister is right in this measure; the Government is right in this measure. It must have guts in hard economic times and not flinch from its duty. We must not only look at whether or not there is an electoral plus or minus around the corner.

There is no country in the world, be it Japan, Mexico, Trinidad and Tobago, Cuba, the United States, Canada or Britain that is not being buffeted by the....

Mr. SPEAKER: And right in this Honourable House the time is at an end.

Hon. H. deB. FORDE: Yes, Mr. Speaker, and because of that, I will just end on these final words — if this House has not got the courage of its convictions, this country's economic future will be at an end as well.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, it does not appear that any other honourable Member wishes to speak, so I wish to wind up the debate before dinner.

Mr. B. M. TAITT: Mr. Speaker, on a point of order. I am aware that the Standing Orders have been suspended. It is customary, however, when the Standing Orders are in place, for supper to be taken at 7 p.m. At 7.15 p.m. for a Member to begin, seems to me, notwithstanding the suspension of the Standing Orders.....

Mr. SPEAKER: I have respect for your point.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I must confess that I was appalled at the taste of the speech of the honourable Member who spoke first in this debate. I had expected, fruitlessly, to hear some contribution from the Shadow Minister of Agriculture, I suppose it was a financial measure. But the cynical approach, the fat, all the arguments by the honourable Member for St. Michael South Central were never better illustrated than on this occasion.

The honourable Member started by saying he was summoned to a shareholders' meeting of the Barbados Sugar Factories. He touched on devaluation, the World Bank, losses by the BNB, ownership of the sugar industry, cane fires, every subject under the sun.

And, as so often when I listen to the honourable Member, I believe that his speech was informed by a deep

contempt for the journalists of this country and for the public in that he believes that any half-truth can be perpetrated, any statement, however outrageous, because in this country the Press is kind and does not destroy the perpetrators of half-truths, does not drag down the architects of destruction of their own country in the way that they would in the United States or Great Britain and other English speaking countries.

The honourable Member knows full well that if a hundred words have been uttered publicly about devaluation of the Barbados dollar, that he has uttered 95 per cent of them, and yet is talking in a sententious way as if his intention is not to drag down the country.

The honourable Member, I must say, is consistent. He drags down Barbados in the House of Assembly, on the public platform, in private, in the Press, in the Island and overseas as well. You do not travel to Toronto unless you hear a complaint from somebody who wishes Barbados well, who says you have a man there called Dr. Haynes and he is always coming to Toronto and saying Barbados is the worst place in the world.

I accuse the honourable Member, by this continual reference to devaluation, of intending harm and mischief to the Barbados economy, because a man has to be taken to intend the natural and probably significance of what he says.

There is no question whatsoever about that. It has never been suggested. You can read a thousand World Bank Reports, you can read 10,000 confidential IMF letters, and you would not see the word "devaluation" published. It has never been a solution, it is not an issue, it has never been recommended, we have never even had to consider it as a condition, a recommendation or anything else.

He is the only person who talks about it and contributes it to nervousness in Bridgetown. I very sincerely would not wish to think that he does it in the hope of occasioning the flight of capital from Barbados when he speaks about it so glibly and inaccurately. I would not like to think that is why he does it.

You say 'import controls' and he mentions gambling machines. Gambling machines are one of the things on which import controls exist. He knows that perfectly well, and yet that is the only example he can produce of a useful import control, something where the Government has been administering a policy laid down — the stable door, it is true, was closed after the horse had gone around the track several times — by the honourable Member for St. Michael West. He imposed import control on the gambling machines and we have reinforced them since that date.

Even Barbados Sugar Factories summoning him to a shareholders' meeting. A letter went out to owners of land, of less than 25 acres I believe, inviting them to hear what the Government's proposals will do for them and what Barbados Sugar Factories is doing for them as suppliers of cane, and an attempt is made to discredit Barbados Sugar Factories by alleging that they summon him to a shareholders' meeting when he is not a shareholder.

He cannot put something straight even by accident. The only thing that he can drill a straight hole with would be a corkscrew. Other people turn a crooked hole with a corkscrew; he would make a corkscrew straight.

The Barbados National Bank —“no audited accounts,” “the worse thing in the world”, and “no Minister should have the discretion.”

I gave the Barbados National Bank an extension. It was obviously in bad waters. Its management has not succeeded in the hopes and aims that we had for it. The auditors have now had the accounts for several months. People believe that custody of the accounts at the auditors has not been as tight as it should be, and I have some reason for believing that, too. The honourable Member's speech, on an earlier occasion, adds to it.

But take the Barbados National Bank's predecessor, the Sugar Industry Agricultural Bank. In 1969 it never submitted accounts to Parliament at all, it never submitted accounts for 1970, it never submitted accounts for 1974–75, during the days of the Democratic Labour Party, and because for three months an institution is going through the washing machine, being wrung out, getting all the fat trimmed off and all the past mistakes corrected, we have to have an indictment of the Government, and of the BNB.

The only relieving feature of the whole indictment is that the manager of the agricultural branch is a wonderful man and is not in any way responsible for the unfortunate happening at the branch, that a manager cannot be blamed because an overdraft is used for purposes outside the terms of the overdraft.

7.20 p.m.

I wish the honourable Member would put his money, all his money, in a bank where the owners of the bank will allow a Manager to let anybody write an overdraft for anything, and then let the manager say he cannot be blamed because they wrote an overdraft for foolishness. I would like the honourable Member to put his money in such a bank.

Dr. R. C. HAYNES: On a point of order. What I said was that the Barbados National Bank acted as a Post Office in relation to those loans, as the honourable Member knows perfectly well, that the loans were advanced to the Barbados Sugar Factories Limited or to other estates, that the actual overdraft was held with the commercial banks,

and that the Barbados National Bank at no time ever had Extension Officers or the extension facilities to supervise those loans.

If there were made directly from the Barbados National Bank to the Barbados Sugar Factories Limited, then, of course, the bank would be culpable, and you could have the opportunity, under Section 33 of the Barbados National Bank Act, of taking appropriate action. That is all I said.

Rt. Hon. J. M. G. M. ADAMS: I accept the honourable Member's apology, because for him to say that, he is politely asking me not to go on any longer with that aspect of the argument. But at what stage is he asking? He is asking after he said that the people took the money and bought houses. He has said it after he shouted that there were no audited accounts of the Barbados National Bank.

The Barbados National Bank's predecessor was the Sugar Industry Agricultural Bank. From 1974 there were no accounts of the Barbados Sugar Industry Agricultural Bank until we took office. Three years later the first accounts began to come out again.

We had to publish two sets of accounts from their time, and none of us, in doing so, thought it necessary to come in here and accuse the former Minister of Finance of iniquity over accounts, because we knew that in the previous Government the question of auditing accounts had never been taken particularly seriously. We knew that.

We knew that the National Accounts of Barbados were never audited for five years after the country became independent. We knew when we came in, they were three years behind hand. We well knew all that, previous Governments perhaps.

The honourable Member has been well briefed by the manager of the Agricultural Division *pro tempore* — well briefed. The expression “post office” comes from Horatio Cooke.....

Dr. R. C. HAYNES: On a point of order, Sir. The expression “post office” was used a year and a half ago at a Meeting of Barbados Sugar Factories Limited itself.

Rt. Hon. J. M. G. M. ADAMS: The honourable Member got up to interrupt me before I said “post office”. He got up to the microphone, and while he was standing at the microphone I talked about “post office.” What did he rise on? He had already begun to interrupt me when I used the phrase.

He misrepresented the figures which I gave and had to be corrected in the middle of his speech. He said that

there was a \$6 million loss by the Barbados National Bank, that I said so. What I said was that the Agricultural Division of the bank could expect a repayment of all but \$6 million of what was outstanding.

When an individual owes a bank money, that is not a loss to the bank — that is an asset to the bank. If the honourable Member knew anything about banking, he would not be saying that the Barbados Sugar Factories Limited owing the bank \$6 million is a loss. It is a better asset, indeed, than if it was repaid, because the rate of interest goes up when the repayment date is passed. It is a concessional loan only up to December 31st, and after that date it becomes a loan at ordinary prime rate commercial rates of interest.

Yet, because the figure of \$6 million was used, we get another half truth, the grasping of the half truth in preference to the whole. He cannot even see the whole. All he wants is the half truth to manipulate, it is the grasping of the half truth, the snide remark about the ownership of the sugar industry — you must not help them under the present ownership.

The Democratic Labour Party never encouraged cane fires. I have seen a verbatim report of a speech made by Dr. Erskine Simmons at Westbury Road three months ago, in which he said there was nothing wrong with cane fires, and that in the record year for producing canes under the Democratic Labour Party there were more cane fires than they had this year and last year. Is that not an encouragement of cane fires? Is that not an encouragement? (It is only good fortune that the honourable Member for St. Michael West did not have any plantations in his constituency, and I would doubt very many sugar workers.)

I believe all these honourable Members here were present. Did any of them get up and say, "I am going to repudiate that statement?" And yet you say that the Democratic Labour Party did not encourage cane fires? (*Asides*)

It was not made out of context it was a principal part of Dr. Simmons' speech. It was what it was about. You were there and you felt badly when you heard it. I am addressing the honourable Member for St. Michael West; not you, Sir.

I cannot deal with the speech of the honourable Member anymore. I really cannot deal with it. I honestly and deeply in my heart believe that speeches of this sort will eventually drag down the standard of public life in our country, because there are people who believe that a Barbados Scholar, a successful Doctor, is somehow a repository of truth, something to be admired, not

because of what he is but because of what he stands for; that somehow you will be betraying Barbados, if you think that a Barbados Scholar is a liar; that you will be letting down achievement, if you believe that a successful doctor is a distorter of the truth, a demonic leader to demonism rather than democracy; that somehow all of us believe in education and getting on in life and when an educated man tells lies, that a terrible thing is done so you do not believe that an educated man could tell lies. That is what the honourable Member is benefiting from.

Dr. R. C. HAYNES: Mr. Speaker, on a point of order. I would like to challenge the honourable Member to mention a single occasion on which I used the word "devaluation" before he made that speech on VOB.

Mr. SPEAKER: No point of order.

Dr. R. C. HAYNES: He was the first person to use it.

Mr. SPEAKER: I said no point of order.

Rt. Hon. J. M. G. M. ADAMS: I think what is worrying the honourable Member is the enjoyment with which the honourable Member for St. Michael West is receiving my speech.

I was asked a question on the Voice of Barbados about devaluation by a questioner. What did you expect me to answer? I do not know the word? That is another half truth. That is another distortion. The Prime Minister is asked a question specifically about devaluation and you say the Prime Minister raised the subject. That is what is meant by distortion.

Now, Sir, the speeches of the other honourable Members. A number of the other honourable Members, in fact all the other honourable Members on that side of the House, dwelt on the nature of the bond issue — why is the Government getting into it, why the BSF is issuing the bond, and so on.

Honourable Members, with great respect, do not seem to have understood why it is, for example, I am introducing it, and do not seem to have understood the nature of the Bill. I am not being impolite to them. I am not going to be long on this.

Support prices are normally financed by the taxpayers. We have found, we hope, a device to enable a support price to be made without necessarily — "necessarily", is the operative word — calling on the taxpayers for anything. That is the real point. We do not want the concept of the taxpayers subsidising the sugar industry to be the primary concept and the primary

manner of our approach. We want the industry to exercise some self-help.

7.30 p.m.

Mr. B. M. TAITT: Mr. Chairman, in my speech I was particular to point out my primary concern. I asked a question, "what is the level of expertise which has been demonstrated in Barbados Sugar Factories that will allow them to be investment bankers for themselves, as it were?" It was not whether.... (*Asides*)

Mr. SPEAKER: I do not think you are trying to elucidate any point.

Rt. Hon. J. M. G. M. ADAMS: Sir, I am very glad the honourable Member has drawn my attention to my own notes. I have here noted: "Taite — what expertise have Barbados Sugar Factories demonstrated," and in the margin I have, "Central Bank will handle the loan." I have also got the note, "Why should Government get into private companies issuing the bonds? 'In the United States an investment bank would handle it.'" And my answer to that is that the Central Bank is prepared to play the part of an investment bank in doing the mechanism of the floating of the bonds.

You can put it in the Bill, but the honourable Member would just have to assume that the Government will not allow Barbados Sugar Factories to blunder into things that they do not understand.

As a matter of fact, Mr. Speaker, I did not put this down as a note, but I said it to the honourable Member for St. James North, "Taite is making the only points that have been made in debate so far". I don't think that the honourable Member had spoken for three minutes at the time when I said that, because it is a legitimate point.

Really, I classify the speeches together, but the speech which the honourable Member for St. Michael West made did dwell on the point of expertise and the unusual nature of the Bill in relation to its object. You would not normally expect the sugar companies to know how to quote a bond issue.

But the point about the speech about why the BSS, and about the relation to taxpayers — to the honourable Member for St. Philip South and others — is that we are trying a new scheme of having a support price which is not primarily, at the start, a charge to the taxpayers.

Maybe in my original speech I should have developed the point which I was making about Trinidad and Jamaica better, because in Trinidad and Jamaica the support prices there are a charge to the taxpayers. In the United States it is a charge to the consumers — a high sugar price, but there is also a potential charge on the taxpayers.

We are trying to get away from that. Barbados Sugar Factories will be encouraged to raise a loan. If there is any surplus it will go toward reducing the overdraft, because the amount of money that is to be paid under this scheme is a finite amount of money. It is related to a crop that has already passed and it is related to a price, which, although not already passed — we do not know what marketing arrangements will come out in the rest of the year — it does seem that less money will be needed than was at first envisaged, because we are getting a quite good American price now for what we have selling. But although we cannot now determine it, it will be finite. At some stage the whole crop will be sold, and a given amount of money will be given for support purposes. But the fund is intended to continue.

The repayment aspect of it and that is also unusual. In the past, when there was an increase in the local price of sugar, it just went into the general funds of the industry; the wholesalers, Da Costa's Sugar Factory, and, ultimately, perhaps a pass-back to the growers. On this occasion it will go into a sinking fund.

I do not want to be sarcastic at the expense of the honourable Member for St. Philip South, the shadow Minister of Agriculture, but I must say that I will be remiss in my duty as a winder-up of a debate, if I did not point out that it was unusual to hear a shadow Minister say that he had not intended to speak in a debate on the subject. His opening words were, "I had not intended to speak at all." That is, at the very least, unusual.

But I would like to congratulate him for his statement, that it appeared to him that if the sugar producers were unable to pay, the taxpayers will have to pay. It means, at least, that he has understood the Bill, because the Bill says so in terms, that if the sugar producers cannot pay back the loan the taxpayers will have to pay. His statement is accurate, more perhaps than it could be said about any of the statements made by the honourable Member who spoke first.

I think the honourable Member for St. Michael South, again, with great respect, may have gotten on the wrong end of the stick with Mr. Osbourne and the chairmanship.

To begin with, bank chairmen do not make loans. Loans do not go before the board unless they are above a certain level and the board has to decide whether to refer them to the Minister.

Secondly, Mr. Osbourne was always a member of the Board and he was not a member representing sugar interest. If such a person existed, it would have been Senator Deane, and it will be the Chairman of the ADC, who was appointed to the Board recently. He was always

a member, based on his knowledge of his financial matters.

Thirdly, nothing is immutable. He may not be Chairman of the Board for ever. He may not be the Director of the Sugar Producers Association for ever. Nothing is immutable.

Fourthly, it is by no means unusual again for large customers of banks to take places on their board and to act as chairman. The Japanese banking system, extraordinarily successful, when one thinks of the statutory constraints which bind it about, is based largely on banks owned by their customers. Japanese industry is able to get at 4 per cent, and 5 per cent, even now, mainly because the industry that wants the loan starts a bank, and the chairman of the industry is the chairman of the bank. And although it lends to the public, it is an integrated process.

The Barbados National Bank has done \$70 million business with the sugar industry so far this year. I honestly do not know what honourable Members are suggesting. Are you suggesting that where an industry has so great an interest in a bank and the bank is supporting the industry that they should operate at arms-length; that there should be no connection. Barclays Bank, its little advisory board that exist in Barbados consists of its biggest customers. I really have to ask, where agriculture is concerned, what other clients the Agriculture Division has?

I honestly do not think that the appearance of conflict of interest is a reality in this particular instance, because the agricultural part of the bank is hedged about also with statutory constraints. The bank is not free to make loans as it wishes to the sugar industry, and I am absolutely sure that Mr. Osbourne will be able to divorce the matter. After all, there are directors of the bank who have big accounts in the bank, and nobody suggest that they are going to get overdrafts.

I was once told that the bank would prefer me not to apply for an overdraft, but I do keep a current account there — and I agree with them on the whole. But the fact that I have an account at the bank, and I can ask for an overdraft, and I can also remove the Board of Directors and remove the Chairman, I hope that honourable Members will not suggest it means that it is a conflict of interest. Honourable Members are making sport.

7.40 p.m.

Mr. Speaker, I think that I have dealt with most of the points, but there were one or two things. The honourable Member for St. Michael South talked about the tourist industry and manufacturing. Obviously the tourist industry is a rather more disaggregated body than the

sugar industry, manufacturing is in the same situation, and you deal with those industries in other ways — you give them other incentives.

Sir, I would really like to congratulate those in the Central Bank, the Ministry of Finance and in the Ministry of Agriculture who have conceptualised the translation of the concept of price support into a scheme that, possibly, will cost the taxpayers nothing. It will cost them something as consumers, but it will cost them nothing as taxpayers in the long run.

I really think that far from being critical, that we should really, in the words of the honourable Member for St. Lucy, taking out the Prime Minister and Minister of Finance part, congratulate the technicians in this case.

We should all be congratulating the technicians and thanking them for putting together a measure to keep the sugar industry of Barbados alive, comfortable and with some hope for the future without an immediate charge on the budget — no increased taxation, indeed, although an increase in the price of sugar is envisaged, no immediate increase in the price of sugar, no sacrifice of employment, no difficulties even with the bankers, no writing off of debts or anything like that. All now that is needed is the goodwill of the general public and goodwill of the holders of money when the bonds are put on issue.

Whether the issue will now have such plain sailing after the speech of the honourable Member for St. Michael South Central, whether what could have been a well-reasoned debate, sensible, cogent contributions such as the first five or six minutes of the speech of the honourable Member for St. Michael West, the speeches of the honourable Members for St. Michael South, St. Philip South, Christ Church West, St. Lucy and the outstanding speech of the Minister of Agriculture, whether if we had a debate at that level, things might be different. Time alone will tell.

But I will tell you the truth, Mr. Speaker. Abraham Lincoln did say, and I make no apologies for saying it, "you can fool some of the people all of the time and all of the people some of the time, but you cannot fool all of the people all of the time." You will get found out sooner or later.

The honourable Member for St. Michael South Central has fortunately been found out by a great number of the people who matter, and when he goes home tonight to dwell on this debate, he may dwell on the distaste in which his political tactics are held, not only by me, but by a very great number of what the newspapers and the Church are fond of calling the decent, right thinking people of Barbados.

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

Mr. L. L. SISNETT: I beg to second that.

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

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, I beg to move that this sitting be now suspended for dinner until 8.30 p.m.

Mr. L. L. SISNETT: I beg to second that.

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

7.45 p.m.

On Resumption:—

Mr. SPEAKER: This sitting is now resumed.

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

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 inclusive were called and passed.

Clause 4 was called.

Hon. L. S. CRAIG: Mr. Chairman, I beg to move that Clause 4 stand part.

Mr. L. L. SISNETT: I beg to second that.

(Certain remarks made by the honourable Member for St. Michael South Central were ordered to be expunged from the record by Mr. CHAIRMAN).

Dr. R. C. HAYNES: Mr. Chairman, regarding the rather *ad hominem* type of speech made by the right honourable Prime Minister, largely because he could not make contact with the substance of arguments put forward by this side, I am assuring him that under no circumstances will we respond in like manner; we will leave that to him.

This particular clause states that Barbados Sugar Factories Limited is hereby authorised to issue bonds to be known as sugar industry bonds for the purpose of financing the Sugar Support Price Fund.

We understand that somewhere along the line the Central Bank of Barbados will be involved in the administration, or the setting up, or the formulating, or

involved in some way that was not made clear that the Central Bank would be involved.

One would like some clarification of this, because I am not going to sit down here and allow the Minister of Finance to carry this country any further down the drain than he has carried it so far.

With regards to any legitimate criticism made of the Government, if he considers it running down the country, the only persons who have run down the country to the situation it is in now is the Government itself, which is the major destabilising influence in Barbados, along with the attitude, particularly the attitude of the Minister himself.

We want to know exactly and precisely what role the Central Bank will be playing in this operation. We have had enough of this kind of slick, fast talking here in Parliament on financial matters and when we get down to precise information you cannot get it. That is one of the reasons why this country is in the mess in which it is today.

Mr. B. M. TAITT: Mr. Chairman, since my colleague has raised the question of the Central Bank under this section, I will make my comments on the Central Bank under this section as well.

It strikes me that when the Prime Minister says it is the intention to have the Central Bank involved in the bond issue, you will recall that when the question of amalgamation of financial institutions was in the air there was a lot of commentary on the desirability or otherwise of having all the institutions amalgamated. One of the major purchasers of bonds in this country is the Central Bank. The Central Bank is the Government's banker. (Rt. Hon. J. M. G. M. ADAMS: They are not underwriting the issue). I understand they are not underwriting the issue, but I was going on to make the point.

I myself am not too happy about the Central Bank issuing the bonds, or preparing the issue for the Sugar Factories Limited, because then the Central Bank is becoming a banker for the Sugar Factories Limited, but the Barbados National Bank is already the banker for the Central Bank.

8.40 p.m.

Rt. Hon. J. M. G. M. ADAMS: If the honourable Member perhaps would permit a very short explanation, the Central Bank already has the very great participation in sugar industry banking because it does provide the funds for the marketing account, Account No. 3, which is to allow Barbados Sugar Factories to buy canes during the season. Not all comes direct from the Central Bank. That

is where it acts as a "Post Office" and that is not the account about which the controversy arose.

Mr. B. M. TAITT: Mr. Chairman, when the Central Bank is performing that role, it is in fact doing its proper job, in my opinion, in the same way that it performs the role of discounter, if you will, for industry. When industry goes out and gets an order and cannot raise the money to get the machinery and to get the raw material etc., the Central Bank would make the funds available on a short term basis as part of the development policies of the country, and I think that is proper.

Now it is precisely because the Central Bank plays this role that I am a little wary of the Central Bank being, as it were, the investment banker for Sugar Factories Limited. If the Central Bank is issuing it, I think that the Bill ought to reflect the role which the Central Bank would be playing.

You see, Mr. Chairman, when once this section has been passed, whatever are the administrative arrangements that might be agreed between the Minister of Finance and Sugar Factories Limited, this Minister of Finance and the present Directors of Barbados Sugar Factories Limited are not expected to go on forever.

Let us suppose, for argument sake, we pass this Section 4 which says "Subject to this section, Barbados Sugar Factories Limited is hereby authorised to issue bonds to be known as the Sugar Industry Bonds for the purposes of financing the Sugar Support Price Fund."

Unless we are going to come back to Parliament subsequently and repeal this section at a time when some other Minister of Finance feels that the purpose has been served, Sugar Factories Limited would in fact have been authorised to issue bonds and there is no need, or certainly there is no mandatory requirement, that they rely on the Central Bank in the manner which the Minister of Finance now contemplates.

It would seem to me that if you are giving them this authority in a Bill, that you ought to legislate the parameters within which they are going to operate.

The other remarks which I would wish to make fall more properly under Section 7, and I do not wish to anticipate Clause 7 of this Bill. But the Central Bank already is the initiator of many of the financial policies of the Government.

One understands that in a small community the size of Barbados you have to use the expertise that is available to the fullest extent, and therefore one does not wish to criticise the Central Bank *per se*, but there is a growing tendency in the Central Bank to grab for additional power.

Once you say this is a matter to do with finance, the Central Bank is beginning to behave like an empire builder, not deliberately perhaps, but that sort of thing happens because they have the best research facilities and they have some of the best brains available.

It is a fact in terms of the rest of the banks and the banking community that the Central Bank has had the best brains available, because from the very beginning they were allowed to recruit the best and pay what they considered to be reasonable to get the people so that the Central Bank has perhaps, pound for pound, a better quality of staff than any other institution in Barbados.

I am saying the Central Bank, not necessarily the Governor. I see the honourable Member for St. James North is getting agitated.

Hon. L. S. CRAIG: On a point of order, I am amazed to hear this coming from members on that side, because when things were looking difficult between 1976 and 1980, we heard all the criticism about the Central Bank, that Dr. Blackman was an idiot, and that Dr. Blackman's figures were wrong and such things. Now today we are hearing that they have the finest brains. This is a strange world we are living in. Politicians are strange people.

Mr. B. M. TAITT: It is just that the honourable Member does not understand the gist of the argument. To say that the Central Bank has the best brains is not necessarily to associate the best brains with Dr. Blackman. I am not saying that he does not have the best brains. But I do not understand why to say the Central Bank has the best brains.....do you mean if I say the Government has the best brains, you automatically think of the Prime Minister. Do you mean the rest do not have any brains at all? I do not believe that the other honourable Members would understand the argument that way.

I am saying that in terms of its resources, the Central Bank has, pound for pound, the best resources available of any Government or quasi-Government institution. As a result of that, it has come to feel that it can do all things and anything for all men and any man. I do not think that is a good trend.

When now they are going to be functioning for Barbados Sugar Factories Limited as opposed to looking out for the Government's interest in the sugar industry, its present role *vis-a-vis* the sugar industry is that it is looking after the Government's financial interests, it is making sure that the industry has the required funds.

In this role, it is going to be in fact an agent for a private company, and Mr. Chairman, for those who understand the argument I am putting, I am saying that I am a

little concerned about that, and perhaps the Bill ought to reflect the parameters within which the Central Bank is required to operate.

I would have preferred to see the Government set up an investment bank in answer to the *sotto voce* question. If the Government had come down with a Bill or if they had said that concomitant with this Bill they are coming with a Bill — we have to get the Companies Act and we have to get the Stock Exchange Act on the books, consistent with those two pieces of legislation would be the concept of investment banking — and if the Government was saying that they are making provision to have the Central Bank hold the papers until the investment bankers were appointed or established, that would be sufficient. But as it stands now, we are, by definition, making the Central Bank investment bankers.

The Prime Minister, you will remember, raised the question of the Central Bank in answer to the query as to whether it was a good thing to make Sugar Factories Limited their own investment bankers.

Now that is not unusual in Barbados, and the reason why this would not seem strange to a number of people in Barbados is that for many years when we did not have a Central Bank, companies in Bridgetown were their own bankers. It is well known that even now DaCosta and Musson, to take one, and I think the Goddards Group, I am not sure, are their own bankers, and so it is a practice that was prevalent in Barbados. Now when the Central Bank started imposing the same conditions on those undeclared banks, as they had for the other banks they started coming into line.

I would like to suggest the creation of investment bankers, and the Government, since it has institutions, may take one or two of these people that they were planning to chase away from the Barbados National Bank and give them some training in investment banking and perhaps create a small portfolio within the Barbados National Bank to behave as investment bankers.

Mr. Chairman, that is not unusual in the case of Barclays Bank and the Royal Bank. They have set up Trust Companies and the Trust Companies, while they are part of the overall Barclays family or Royal Bank family, operate as separate entities.

I believe that if we are going to go into this kind of operation, it would be much tidier and much more desirable to separate the investment banking facility from the Central Bank. I am not happy, unless the Prime Minister is going to give us some explanation, that we have not seen what he said appearing in the Bill, and in that connection we will have a little more to say on Clause 7.

8.50 p.m.

Mr. L. E. SANDIFORD: Mr. Chairman, it is within my knowledge that Clause 4, Section 1, which establishes the purposes of the fund, that is, to finance the Sugar Support Price Fund, may very well have some foreign policy implications because it is within my knowledge that already we have had lobbyists for the sugar interest in the United States, or for United States producers of sugar, claiming that this is the reason why sugar from countries like Barbados should not be admitted into the United States market through the CBI or whatever mechanism there may be.

The words for support for this sugar industry did not come fully from the mouth of the Minister of Finance. When this was being expressed in the United States on a public television programme, I was amazed at the instantaneous manner this information had been transmitted from Barbados to publicists in the United States.

We must be aware. We may be solving one problem here, but we have to look at the implications of this. I am merely drawing this to the attention of the Government planners and policy-makers that this might not be as simple a matter as it might look on the face of it. It may very well have some problems further down the road outside of Barbados, if not in Barbados itself.

I wish to raise a matter in relation to Section 2: "Sugar Industry Bonds may be issued at par or at a premium or discount." That is the part I am interested in. I am wondering if someone from the Government side, either the Minister of Agriculture or the Minister of Finance, would explain to me and to this House whether there is any difference in thinking, or conflict in thinking, because here we have this particular Bill authorising the Sugar Industry Bonds to be issued at par; and on the agenda for this very sitting of the House there is another Bill saying that shares should not be issued at par because shares do not have any intrinsic value as such, and that you should not really have this particular matter.

I am well aware that they are coming under two different pieces of legislation relating to companies, but it does raise these questions, and a fundamental difference in thinking, about shares and these matters.

I think it is relevant to raise these questions here as the Government goes about setting up these further institutions of Barbados capitalistic society as we are doing here in this piece of legislation and the other one.

The third point I wish to raise relates to Section 3: "The aggregate amount of the Sugar Industry Bonds shall be subject to such limits as the Minister may determine."

Now Parliament would have a role for this because, in the subsequent Clause, Parliament has or may be called

upon to give approval to the terms and conditions relating to these Sugar Bonds, and I believe that this is the appropriate time for the Minister of Finance to share with this House his thinking at this stage about the limits, whether it is the outer limits or the initial limits as the case may be, as to the aggregate amount of these bonds.

Parliament has to be involved in it, and if you come with this Bill before us now, you must be able to tell us, roughly speaking, what are the limits that you have in mind, what would be the quantum of these bonds that you have in mind if you give a lower limit or outer limit.

I know it would be impossible to be precise at this moment, but we should be able to get some indication, so that when we are voting on this issue we should have some idea of the scope, the extent and the nature of what exactly we are doing or we may have in mind.

Mr. B. M. TAITT: Mr. Chairman, just before there is a response. I also wish to ask the Prime Minister — he has gone to consult. The Minister can probably hold some papers for him. *(Asides)*

Mr. CHAIRMAN: Please! The honourable Member for St. Michael West please continue. Order, please.

Mr. B. M. TAITT: It says here in the Prime Minister's speech which he made about the sugar industry, the Prime Minister said:

"I will therefore be appealing to the owners of capital in the country in the banking and commercial sectors to support a loan which the Government intends to raise by way of a special bond issue which will shortly be placed on the market by the Central Bank."

He went on to say:

"I intend to write to the forty or fifty of the biggest firms in Barbados personally and request their subscriptions to the bond issue. I will be writing all the foreign banks and large merchants, since their earnings and profits rise and fall with those in the sugar industry, just as the general prosperity of all of us depends on the maintenance of this industry as a viable unit."

"The bonds will be offered at a very favourable rate of interest so that we will be inviting businesses to save rather than to subsidise the sugar industry".

Three points, Sir, (a) I would like to know what is the change in thinking between that statement, in which he said that the Government would be raising a special

loan by an issue through the Central Bank; (b) He indicated that he would be writing or communicating with those forty or fifty largest businesses in Barbados. My question is since this issue is going to be a private issue, whether the Prime Minister will still be acting as the initiator; if he is going to be writing the forty or fifty largest businesses and the foreign banks inviting them to invest in these bonds, which will be issued by a private company, and whether the Prime Minister, as Minister of Finance, who would have had a responsibility of Minister when these bonds were issued or were to be issued as a special issue of the Government by the Central Bank, now that they are going to be issued by a private company, will the Prime Minister still be writing these forty or fifty largest investors in Barbados inviting them to invest in this private bond issue?

9.00 p.m.

Thirdly, since he spoke of the bonds being offered at very favourable rates of interest, will the Minister, and in the Bill it is the Minister of Finance, have a policy responsibility to direct the rate of interest, or will the rate of interest fall within the general ambit of the directives coming from the Central Bank on the question of rates of interest?

You see, Mr. Chairman, when the Government is making a bond issue, the Prime Minister's role is one thing. When a private company is making a bond issue, it would seem to me that the Minister of Finance's role must be a different thing. Otherwise, all other companies in Barbados could legitimately ask the Prime Minister to act as their "agent" to stimulate investment in their capital development.

I recognize that sugar is deemed to be a national industry, but, so, too, Sir, tourism is deemed to be a national industry. And I see no reason why the Prime Minister should not be writing to other companies asking them to invest in the tourist industry.

I want to know if what he said in his speech then is still relevant and valid, or if there has been a change in the thinking?

Hon. Dr. R. L. CHELTENHAM: Mr. Chairman, Sir, the questions of the last honourable Member who spoke, I suppose, fall properly within the competence of the Prime Minister himself since they relate to his intentions.

I want to respond really to the fears expressed by the honourable Member for St. Michael South, when he drew attention to the use of the expression in Clause 4, Section (1) which deals with financing the Sugar Support Price Fund.

His concern here, Mr. Chairman, as I understand it, is that some of the countries to which we may wish

to export sugar, for example, the United States of America, may use the fact that we are actually subsidizing the production of our sugar as a reason to block our exports, particularly to the United States of America.

I just want to say that in the country by country quota, which has recently been issued — (I think Barbados got 21 000 long tons, even though as I intimated in the course of my speech, Ambassador Bish came through on the phone a few days ago to say that the Secretary of State of Agriculture had been in touch with him, asking him to contact the Government and indicate that there will be a slight reduction because of the miscalculation of the level of domestic consumption and the size of the domestic sugar crop; so we are now likely to end up with approximately 18,000 tons.) — But the point I wish to make is that there is no evidence that in the country by country quota under which we are benefiting that there are any qualifications, such as if you are subsidizing production you cannot qualify.

So, much as I take the point that at one point the lobbyists attempted to use the argument against countries that were subsidizing the production of sugar, in actual government policy, as reflected in the quota, no qualifications have been introduced.

I, too, am aware of the fact, moving to a different point, that in the new Companies Act as proposed there will no longer be any question of shares being issued at par. That notion will hereafter be a dead one, and yet reference is made to it here. I, myself, do not know the answer, and I, too, will hand over to the Prime Minister, whom I hope will be able to shed some light on what appears to be an apparent conflict.

Hon. L. R. TULL: The honourable Member of St. Michael South raised the question of "par value" in Clause 4(2). The Companies Bill that is before Parliament prohibits the issuing of shares at par value, because it contends that par value shares have no intrinsic value, that they have a market value at some given time. Perhaps we can take another look at this section, in relation to the issue of par shares, and make the necessary adjustment.

Mr. CHAIRMAN: The question is that Clause 4 stand part.....

Dr. R. C. HAYNES: Mr. Chairman, we have asked the Minister of Finance quite a few questions. In his speech he vaguely referred to the matter of the Central Bank in relation to the management of this bond issue. We wish to know exactly what is the role of the Central Bank.

We have had no explanation, we have been treated with utmost discourtesy, and many people with some

knowledge of the Barbados economy, and some knowledge of what has contributed to the openness of this economy since 1977, very much question the role of the Central Bank in financing certain aspects of the sugar industry and the volume of financing during that period.

If he does not wish to answer, then he can sit down there. If he does not know how to answer, get up and say that he does not know.

(At this stage Mr. CHAIRMAN instructed that certain remarks made by the honourable Member for St. Michael South Central be struck from the record.)

Mr. CHAIRMAN: I would like to say at this point... *(Asides)* Please, the Chairman is speaking. *(Asides)*

Dr. R. C. HAYNES: The Prime Minister has to answer. I am dealing with public issues. If he can't answer, he can't answer. *(Asides)*

Mr. CHAIRMAN: Please take your seat. The Prime Minister raised the whole question of the Central Bank in his Second Reading speech and he dealt with it at length.

The question is that Clause 4 stand part.

Dr. R. C. HAYNES: We wish to know what will be the role of the Central Bank in this matter because we consider it of serious economic importance.

If you look very carefully at the extent of the Central Bank's intervention in the sugar industry, and the rate at which that has escalated, and we look very carefully at certain other patterns within the economy, that role has not necessarily been to the advantage of this country.

But we want to know exactly what the Central Bank will be doing in relation to the raising of these bonds by Barbados Sugar Factories Limited. We want to know the exact relationship.

Hon. L. S. CRAIG stands.

Mr. CHAIRMAN: Please! Now I am not going to let this debate go out of order; definitely not. Before you stood up, the honourable Minister was on his feet, and I would be inclined to hear the honourable Minister of Agriculture.

Hon. Dr. R. L. CHELTENHAM: I just want to return, Sir, to the question of the use of the expression "par bonds", which are being issued at "par" in Clause 4(2), and make the point that we have overlooked the fact that there is a difference between shares and bonds, and perhaps this is the explanation. The Companies Bill really deals with shares, but there is a difference between

shares and bonds. And I don't think that the concept, with respect to the abandonment of "par" value with respect to shares, is meant to be transferred to bonds.

Mr. B. M. TAITT: Mr. Chairman, Sir, while what the honourable Member said is intrinsically correct, the context in which the Companies Bill speak of shares, in the context of this particular clause, would apply.

I thought the Attorney General's point that they would look at it is quite valid, because what in essence will happen is that we would pass this, and then we would pass the Companies Act which would, in essence, repeal this. It would make this *ultra vires*, if not "null and void."

9.10 p.m.

The Attorney General says he will look at it, we will take that. But that difference between bond and share applies intrinsically, but in my view it does not apply in the context of this.

Hon. L. S. CRAIG: Sir, the Member for St. Michael South Central is questioning whether the Minister of Finance must answer, and he also made it clear that he is ignorant of what is going on. If he is ignorant of what is going on, does he expect him to answer? You say he does not know, but are you going to kill him for not knowing?

Let me explain what you can do without eating up yourself all day because of the blows that he put in you; he made mincemeat of you in his reply. All you have to do is to bring it in the form of a Question and you will get the reply. By that time he will be able to get a little common sense, he will be able to understand something and bring the information.

Since you always have access to this information, you should not be questioning all these things. You always have information, you always have Cabinet Papers from the Cabinet Office, all these things, why are you asking these things now? Bring it in the form of a Question and we are going to answer it.

Put the question, Sir.

Mr. L. E. SANDIFORD: Sir, I do not think we need to get into nettles over this particular matter. I think the Opposition, in pursuance of its duty to examine, to raise questions and perhaps, if necessary, to be critical of issues that are brought for consideration here, have raised a number of questions, and I think that for the proper functioning of this House we deserve some answers.

I know that the Prime Minister would be the last person, and he is not generally so anyhow, I know he is a

good parliamentarian, he is not contemptuous of the House, he is not arrogant. You cannot use any of those pejorative terms.

I believe if the Opposition raises questions we deserve an answer. We have all raised some questions. I have asked in terms of Clause 3 about the Prime Minister's thinking in respect of the limits of the aggregate amount of the sugar industry bonds. I said the outer limits and probably the lower limits, and I think we deserve to have some kind of answer. There has to be give and take in Parliament. *(Asides)*

Mr. CHAIRMAN: Order, please! The cross talk must be left out.

Mr. L. E. SANDIFORD: We are really asking. I hope if there has been some heat generated, that we could put that aside; and let us get on with the examination of this matter in a manner worthy of one of the oldest Parliaments of the Commonwealth. I hope the Prime Minister will rise to his feet and respond.

Mr. CHAIRMAN: The Prime Minister will wind up with respect to Clause 4, unless I otherwise determine.

Rt. Hon. J. M. G. M. ADAMS: A lot of this was dealt with both in my first speech and my winding up speech. I did not mention sums then, but I had indicated the concept of two tranches, a sum of money sufficient for general purposes, as well as the necessary finite sum for price support needed for the current crop.

I cannot tell you what the sum will be because I do not know yet, although it will be finite, but we do not yet know what it is. We are still selling sugar.

I have a ball park figure for the bonds of twenty. I did indicate that it would come in two tranches.

Honourable Members have been asking me about the Central Bank. Some honourable Members understood what they were asking, and another honourable Member, I think, was suggesting that somehow the Central Bank's relationships with these bonds would be like its relationship with the sugar industry as a whole.

Having said, *sotto voce*, that the Central Bank was not underwriting the loan, and having had the point taken up by the honourable Member for St. Michael West, I did not think it would be sensible either to ask, or if asked to reply to any question which would relate to the Central Bank's advance of credit to the industry, through the BNB, with these bonds.

Once the Central Bank is not underwriting the loan, the question of the Central Bank's own finances does not arise, unless, as I imagine, the Central Bank will charge a

small commission for selling the bonds. Perhaps not even that, I do not even know what, but honourable Members can readily imagine, once you understand, as the honourable Member for St. Michael West obviously understands, that no private company raises a bond by itself — it puts it in the hands of brokers or investment bankers. Once you understand that.

A lot of what I have been saying here this evening represents what the Central Bank has already done in the matter. The Central Bank's connection with this is to advise on the Act, on the form of the Act advise on its customers — the Central Bank is accustomed to placing money, it manages the National Debt of Barbados, it invests the foreign reserves, it knows who needs money, it knows that kind of thing — because that is its business; the management of debt portfolios.

For example, the Central Bank's connection with the matter has been to tell us that you must have two tranches, that the insurance companies need a particular type of fund, and that other people need a particular type of fund.

Mr. B. M. TAITT: If the honourable Member will give way, I believe that he genuinely did not hear part of the question that I think he has touched on. That point was made, that where the Central Bank is acting as banker for the Government the Central Bank is going to be doing this.

In the form of this Bill, this is the first time that we are getting a private company to do this. As far as I know, this is the first time in Barbados that a private company will be issuing bonds. Private companies issue things that are the equivalent of bonds. We know that; we know we have some loan sharking in Barbados. But this is the first time we are having genuine bonds issued by a private company.

The point I have raised is here you have the Central Bank. You explained, *sotto voce*, its relationship to the industry representing the Government's interest, because a lot of money is going out. That, one understands. Here, however, the Central Bank is going to be, in essence, playing the same role for Sugar Factories Limited that it now plays for the Government in a very minute way, and one raised the question, having spoken about investment banking necessity, and we wanted to get your views on this.

9.20 p.m.

Rt. Hon. J. M. G. M. ADAMS: What the honourable Member said was "a Government Investment Bank." I heard about having an investment bank in Barbados and the concept of it. Well, really, you are going outside the thing; you are now winding me up again for a long debate.

The Government has for a number of years been considering having a certain type of Government property managed by a body — some of whose functions would be akin to ordinary managers, some of whose functions would be akin to investment bankers — and the particular tasks of this body that we were thinking of setting up would be to manage Government shareholdings in private enterprises.

Although this was not envisaged at the time, it would include something like this, because the management of this loan is a three-way thing:

It is Sugar Factories ordinary everyday accounts — entering them into the books, seeing who the money went to, how it was done, if it is to be repaid and so on.

The Central Bank's role in it is saying, well, the best time to place these bonds is October 2, the best way to do it is to bring amounts of \$10,000 each, amounts of \$25,000 each, a minimum subscription of \$100,000, a minimum of \$10,000, whatever the matter is.

This is why the question that honourable Members ask is difficult to answer, because, effectively, the Central Bank has to do all the things that anybody who places bonds or who manages investments would have to do, and we are ready to do it as part of support for the sugar industry.

The third leg in the partnership is the Government, which would have to supervise the cane payment formula — make sure that sugar factories observe it; will have to supervise the procedures for converting the loan into a grant — that is coming in section 7(2)(b) — because the Minister has to approve that, and to some extent the Central Bank will be the watchdog even of these things, and to some extent the Ministry of Finance.

So when you ask what is the Central Bank's role, all I can tell you is that the Central Bank's role does not involve putting up its own money for the purpose of the fund. But all other purposes that you can think that an investment banker would carry out for his client, the Central Bank would carry out.

It will advise Sugar Factories. Really and truly, let us be realistic, Mr. Chairman. The Central Bank will offer advice, but I do not know if it will necessarily go through the rather round-about formula of offering advice to Sugar Factories, and then Sugar Factories seeing if the Minister of Finance agrees. We will, I think I can safely say, between the Ministries of Agriculture and Finance, the Central Bank and Sugar Factories, agree on the entire form of the loan, which will no doubt come to Parlia-

ment again — and then you can more properly direct those questions.

Mr. Chairman, certainly no discourtesy was intended, but once you understand that the Central Bank is acting as investment banker, either you know how an investment banker handles a bond issue for its clients or you don't. Maybe there are honourable Members on that side who know it better than me. I am never ashamed, Mr. Chairman, to admit that I am not an expert on every subject under the sun; a few, but not every single one. But there it is.

The investment bank point of view is still in the melting pot, we are still thinking about it — not really an investment bank, but an institution which would coordinate Government shareholdings. The Government has a lot of interest in businesses and we are not always sure, because our directors sometimes do not get in touch with whom they should get in touch with. (*Asides*).

Mr. B. M. TAITT: If the honourable Member would give way. Only recently, about four weeks ago, one was trying to do research on the extent to which the Government has investments in the private sector and there is no single document or no single authority anywhere which can tell you with any degree of accuracy the extent of the Government's holdings in the private sector. It is remarkable, and I am not criticising, I am just adding information that this is a fact.

Perhaps the Minister might give very serious consideration to speeding-up this approach which he is now discussing. It is becoming very important when Government is continuing to take more and more interest in the private sector.

Rt. Hon. J. M. G. M. ADAMS: I distinctly remember that when we were thinking of bringing it in, the model we were using was the Dominican Republic, and I was able to get a list of the holdings of the Government of the Dominican Republic in all of the private industries which it then held. It was moderately easy, I believe, for the Government, when it absorbed all the interest, to do so, because all they did was to take over the private holdings of the late President Trujillo. His portfolio just had to be listed and published, and that was the Government's holding in private industry. But at the time you could get the Government's holdings in private industry in the Dominican Republic on file in Barbados, and we did not have our own holdings.

But we do own shares in a lot of businesses, mostly of a public character — airlines, cement plant, telephone and electric companies and so on — and we do not always know the agenda at meetings. It is only if you have a very trusted Permanent Secretary or Director of Finance and Planning, who can always be relied on to keep policy

makers aware of decisions, that you can be fairly sure. It is something we are thinking about, and a subsidiary function of such an organisation as we were thinking of setting up would be to do some management of the sort we are envisaging.

I do not know if honourable Members are aware, but a management unit was set up in the Ministry of Finance and Planning some years ago, and a number of management accountants were hired, but the Government's involvement in business at the time was such that all the management accountants at one time or another, in fact all — Mr. Stuart went to the BMC, Mr. Hewitt went to Carib West, Mr. Moe went to the Natural Gas — I think we have back Mr. Stuart — I cannot remember the others; they are the ones that I have dealt with — I think we have back Mr. Stuart — but we found that as fast as you hired a management accountant, you found that there was a business in some sort of trouble that you had to send him to handle. In other words, we were never able to accumulate the expertise and keep it in the Ministry of Finance.

The Central Bank has accumulated a certain amount of expertise, although not, so far, in the technical assistance area, in that they do not send out their accountants to help businesses that are limping. It is that kind of technical expertise that we are using in this particular instance.

I do not think honourable Members really, having heard this, still could possibly feel that there is any secret that is being kept back in connection with this. It is not in the nature of the arrangement.

My speech has arisen out of the advice, parts of it, of the Central Bank on particular things, and it will be the Central Bank's advice that will govern placements, introductory.....you set a rate or interest, but do you have the bond carrying a fixed payment and you introduce it at a discount or what. It all depends, and all these matters will be dealt with. The placement of the issue, will be dealt with by the Central Bank. They will probably even place the order for printing the physical bonds.

The question that Clause 4 stand part was put and resolved in the affirmative without division.

Clauses 5 and 6 were called and passed.

Clause 7 was called.

Hon. L. S. CRAIG: Mr. Chairman, I beg to move that Clause 7 stand part.

Hon. V. L. JOHNSON: I beg to second that.

Mr. B. M. TAITT: Mr. Chairman, I just feel that we owe it to the House to indicate, as the tenor of our speeches went in the Second Reading, that we are not able to support this clause in its present form. We feel that we ought to just let the House know that we are not able to support it in its present form. (*Asides*) The control and management of funds, according to the Act as it now stands, is completely in the hands of Sugar Factories Limited, and therefore, out of an abundance of caution, we are not going to support this Clause.

9.30 p.m.

Mr. CHAIRMAN: The question is that Clause 7

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, they do not have to ask me about this. You cannot say it is completely under the control and management where the approval of the Minister is required to determine how much will go to make loans and how much will go to finance the operations of the processing.

Indeed, under whose other control could the fund be? The money is borrowed by Barbados Sugar Factories. They have the responsibility of paying it back. The Government is the largest single shareholder in the Sugar Factory. I cannot see the grounds for not giving support. They have directives. The Central Bank is represented on the Board of Sugar Factories even now, even now at this time. The Ministry of Finance and the Central Bank are both represented on the Board of Sugar Factories.

If I could help honourable Members with their difficulties, what other proposals would they make? Nobody has a monopoly in the financial area of responsibility. No matter under whose control you put it, things can happen. If honourable Members can give a proposal

Dr. R. C. HAYNES: Mr. Chairman, we on this side have said during the Second Reading of this Bill, that we are not satisfied with the expertise or the competence of Barbados Sugar Factories Limited in a wide area of the sugar operation in Barbados.

We are now moving into an area where the sugar industry is in serious difficulties and where, I think, as the Minister clearly admitted, that in general this Bill adds up to the fact that the taxpayers would not be subsidising it in the first instance, but it might well come to that, and we just do not feel that the management structure and the management personnel of Barbados Sugar Factories Limited is such that we would want to entrust them with the management of this fund. That is the way we feel about it.

We spelled out the whole range of errors which we thought has been made, many of them elementary errors, and it involves a large sum of money; it involves money which will probably go on for over a period of three

years — and over three years who knows? Maybe \$40 million, \$50 million or \$60 million. Nobody knows. Nobody can say. The Minister cannot even tell us at the moment how much he expects to raise via these bonds in this particular year. And heaven knows what it will be next year and the following year. This forms the basis of our objection.

Now the Minister asked for an alternate proposal. I certainly, would have preferred to see a situation where probably a special authority comprising persons experienced in financing of sugar, and persons experienced in finance, would certainly be on that Committee or Authority to administer the funds. I would much prefer to see that, because there is a lack of competence.

Sir, the right honourable Prime Minister has recently, for example, made a public statement to the effect that because of inexperience, Barbados Sugar Factories Limited did not understand the proper usage of an overdraft, and that it should not be used to finance long term capital development projects — (he, himself, has made that remark in a public statement recently, and that is a very elementary thing) — and that he, himself, will be intervening in order to make a financial arrangement by raising an overseas loan in order to convert the money spent out of the overdraft into a long term loan.

People who can make that kind of decision and that kind of error cannot, in our view, be entrusted with the management of a portfolio, which may start off as \$20 million, and if it continues over a number of years, as is quite possible, may well be \$60 million, which will be guaranteed by the Consolidated Fund.

We would like to see a little more security in the management process. Exactly how this is to be done, or to ask us to make a suggestion now, on the spot, like this, is, of course, a little more difficult. We would have to think it through a little more thoroughly.

But I would like to see some kind of authority or some kind of representation by the people who are more *au fait* with financial matters and the handling of this kind of financial activity having responsibility for the management of these funds in the first instance, bearing in mind, and we just have to bear it in mind — I think one thing that the Minister of Finance was honest about today was when he said, and made it quite clear, that this might well turn out to be a direct charge on the taxpayers of Barbados. He does not know. I do not know. Nobody in Barbados knows what exactly is going to happen.

Sir, this is our area of concern. We have expressed it in the Second Reading speech. If the Minister is satisfied that the management of the Barbados Sugar Factories Limited is such that they can be entrusted to

manage sums of that kind, which he knows perfectly well might escalate to \$60 million over a three year period, then it is a matter for him — he is a responsible person — but as Parliamentarians, we have to make sure that any guarantee that this Parliament agrees to, which will have to be met out of the Consolidated Fund, that the best available expertise in the country is available in the management of this kind. That constitutes our reservations.

Mr. B. M. TAITT: Yes, Mr. Chairman, if I may just add briefly to that, so that there would not be any thought that one is being insidious. I remember the Prime Minister, himself, in a recent speech — I do not recall if it was in the House or if it was outside of the House — where it referred to the fact that we did have a Sugar Industry Board in which Members of Parliament actually sat on the decision-making body in these matters. So certain decisions in the financing of the industry have always been made by a tripartite approach to this decision-making.

You see, Sir, the workers have a vested interest in this \$20 million. They have as much interest in this as the Sugar Factories Limited. The trade union itself has not been seen to be irresponsible in its financial business. I mean generally speaking. There has been some talk occasionally around election time, but generally everybody agrees that the trade union has not been irresponsible. I do not want to get into any detail on that.

But when it was considered that the Prime Minister in his statement to Parliament had said that the Government had decided to take steps to provide a support price, in fact, "We have decided to offer a support price for sugar starting in the current year 1982. In 1982 the price would be approximately .92½ cents per kilogram of sugar or on an average price of around \$76 dollars per tonne of cane. An amount of about \$20 million will be made available as a soft loan to Barbados Sugar Factories Limited, a company which owns all the sugar factories in the Island, and which the Government, in its own right and through the Agricultural Development Corporation, now has the largest share," where that was the method that was going to be used to assist the sugar factories there would be no problem. If he came here and said that he is lending them \$20 million via certain mechanisms, we might bemoan the fact that the taxpayers were going to be saddled, but we always agreed that the sugar industry needed some additional help. That is not the point.

9.40 p.m.

The point is that now he has hit on the formula. The formula, as I said in my Second Reading speech, is innovative. It is the first of its kind in the Caribbean — not price support but its methodology. If that is so, and if we all agree — the honourable Minister of Agriculture

has expressed reservations about the management structure of Sugar Factories Limited — we all have expressed reservation of some kind — we cannot really be happy.

We feel it would be a little irresponsible, if not immoral, for us to take those positions and not carry those positions to their logical conclusion.

We are not going to vote against this out of any banality; we simply do not feel comfortable with it. And out of an abundance of caution, if you want to put it like that, we are saying let this clause pass us by.

Mr. L. E. SANDIFORD: Mr. Chairman, the Minister of Finance did ask us whether we have an amendment to propose. But it is very difficult to propose an amendment as we are discussing matters — to propose amendments on our feet. In any event, it is better in these matters for legislation which is drafted by experts to be amended by the experts who may have an idea as to what we want. The draftsmen who are trained for the purpose of drafting legislation should be given the ideas so that we can have a proper Bill, as amended, before us.

Our basic suggestion is that there should be some kind of authority set up, because, basically, what is the Sugar Factories Limited doing? They are saying that they want to issue bonds. After that, they have to apply to the Minister of Finance for everything relating to aggregate sums, then how they are going to distribute the fund at the end. At the end of the whole process they are virtually given the complete management of the fund, but in everything leading up to it they have to apply for permission, and they can't do this and do that.

There are other points in this that we would like to raise as well. We would like to know, for instance, whether "growers" here include the small producers as well, or is it only those persons who own the large plantations or who may have an interest in sugar. (*Asides*)

This says here that the "Barbados Sugar Factories Limited may, with the approval of the Minister, determine the proportions of the Fund to be applied for the purposes of Subsection 2. Then Subsection 2(b) says: "to make loans to growers on such terms and conditions (including conditions as to conversion of loans into grants and interest refunds)" So there is a distinct possibility here that these may be grants, gifts, or donations to the growers. Am I reading too much into this? (*Asides*) The loan can be converted into a grant. I do not want to make too much of this particular point.

We are suggesting that may be if you could take another look at this particular section with the draftsmen to see if an authority could be established or if it could be tidied-up in some way so that our enquiries and our doubts could be met. We might end up with a better Bill.

So that is what we will suggest on this particular matter, that maybe you would like to look at this again so that we can have some proposals which may be adequately drafted for consideration, which we may not oppose.

Hon. L. S. CRAIG: Sir, I have no doubt that we on this side welcome the comments from the other side. That is the spirit in which we operate. We are not the experts in everything. You on the other side have your views, and I am confident that the Minister of Finance and my colleague, the Minister of Agriculture is also having a bit of reservation where this particular clause is concerned. We welcome the comments.

I would therefore move that further consideration of this here be postponed so that tomorrow the draftsmen and the legal brains could look at it and come back, as you say, with something which is probably more worthwhile. We respect your views and we will act on that.

I beg to move that Your Honour do now report progress and ask for leave to sit again.

Mr. B. M. TAITT: Mr. Chairman, speaking on the motion, the honourable Member just said that he welcomes the spirit. What I wanted to say to him is not unhelpful. All I want to say to him is that since he is going to be referring the Bill to the draftsmen, and we would have had some reservation on Clause 10, he might take into account comments which were made on Clause 10 and ask the draftsmen to look at them. That is all I want to say.

On the motion of Hon. L. S. CRAIG, seconded by Dr. Hon. R. L. CHELTENHAM, Mr. CHAIRMAN reported progress and asked for leave to sit again, and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be suspended until 10 o'clock tomorrow morning.

The question that the sitting be suspended until 10 o'clock tomorrow morning was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.
9.50 p.m.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be suspended until 10.30 today.

The question that this sitting be now suspended until 10.30 a.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly.
10.10 a.m.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Order No. 3

BILL TO ESTABLISH A STOCK MARKET FOR THE TRADING OF SECURITIES IN BARBADOS

Order No. 3 was called — To move the Second Reading of a Bill to establish a stock market for the trading of securities in Barbados and for other consequential, supplemental or related matters.

Rt. Hon. J. M. G. M. ADAMS: This has been on the Order Paper for some time and the Government is really not prepared to let these matters go on for ever because honourable Members on the other side have not been able to bring themselves to read them.

A part of the reason why it is difficult in Barbados to channel the savings of citizens into productive investments, is that there is really no equity market.

It is very difficult to decide that I am going to put some money into this growth business and earn some dividends, improve on the value of my capital, and realize the value of my capital in good course, because there is no easy market in securities, stocks, and shares, and hence companies do not find it easy, except by applying on a personal basis to people they know, to raise new funds.

As the country develops, inevitably, the demand for a stock market and the place where securities can be bought and sold will become more and more necessary.

In our view, this situation has been reached in Barbados today. The Central Bank and the Chamber of Commerce have co-operated — not sometimes without friction, but broadly co-operated — on the establishment of a securities exchange in Barbados to provide for the sale of shares through the stock market, and exclusively through the stock market. When this Bill comes into force, and the securities exchange is set up, it will be forbidden for Barbadians to sell shares in public companies other than through the securities exchange — shares, that is, that are going to be quoted on the exchange.

The Bill provides not only for this, but provides for a number of penalties for improper dealing in shares and improper behaviour, generally, of the sort that has sometimes been associated with unregulated share markets in other countries; although I must say, Mr. Speaker, I have never heard accusations made of massive impropriety in share dealing in Barbados.

It is a very narrow subject and we have accordingly brought the Bill to the House with the full explanatory memorandum, which sets out the general business of the Bill by parts and then analyses each clause, describing its purpose and pointing out its effect.

The public will gradually become aware, when the securities exchange is fully established of its activities, and we look forward, Mr. Speaker, to some diminution in what is effectively the chain of investment in Barbados at present as a result of the direct investment which this will make possible.

Effectively at present, if somebody has \$10 000 that he wishes to invest to bring an income to him, almost inevitably he hands it over to a bank and receives interest on it. The bank then generally makes a loan for the purpose of sale of some article.

In only a few cases are funds subscribed by a large number of persons to start a new business, or by a large number of persons to assist in the expansion of the new business. And one can really count, Mr. Speaker, perhaps on the fingers of one hand, the companies in Barbados which could issue shares to the public and expect to receive substantial investments funds for such an issue — the Electric Company, the Telephone Company, possibly Barbados Shipping and Trading; and I really wonder, who else?

We hope that under the new dispensation there will be a wider ownership of shares and that subscriptions to new enterprises, such as we saw at Banks Breweries and Bim Beverages, just to mention two, will not take place only at the start, but will be a continuous process. Shares will be bought and sold, new issues can be expected to be taken up and a company's financial health can be judged by the state of the quotations on the securities exchange.

This Bill forms part of the new domestic financial regime which is being established in Barbados. The Companies Act will be another more major part and the general purpose of the Government is to modernize the financial and economic system of our island.

I think, that you only have to come to the House of Assembly, Mr. Speaker, any week when, for example, the sugar industry, the Electric Company, or Barbados Shipping and Trading is liable to be discussed, to realize

how deeply the adversary principle permeates economic life in Barbados.

You will only have to hear the way in which an argument of price control is put forward to sense the contentious and conflicts that lie just below the surface of our lives. Put very briefly, Mr. Speaker, there is a perception in Barbados that people who have money, who run the businesses in Barbados, are white, and the rest of the population is non-white, and it is "them" against "us", and therefore, that in any given situation you expect "them" to be taking measures which are going to be destructive of the economic rights of the rest of us.

It is perhaps almost the only thing that is wrong with the character of Barbadians. It is granted that we live in a small country and the vices as well as the virtues of smallness beset us, but there would be very few places where price control would take on the character that exist in Barbados, because price control is regarded as something which is necessary to stop the merchants from taking the money away from us.

10.40 a.m.

I am convinced that is the general attitude, and that is why price control — a ridiculous doctrine for reducing prices, discredited in every country in the world in which it is tried in time of peace, and in 1974 in Barbados a proven guarantee to higher prices — still maintains a certain attractiveness to even otherwise sensible persons — I am really quite convinced of it — that you must have price control to stop the merchants making money out of people.

Nobody bears in mind that the service sector in Barbados provides 76 percent of the employment, that the merchants in Barbados employ more people than tourism and manufacturing put together, and that if the merchants cannot make money, people cannot be employed. That never gets into the argument at all.

You never hear that the retail sector in Barbados is much, much bigger than either manufacturing, tourism or agriculture, and that if you cripple the retail sector you are crippling our biggest private employing sector. But you do hear that you must have these things to stop them.

Yesterday we heard in the House that you must not have the loan provisions in a Bill, which is currently under discussion, because of the ownership structure of the sugar industry — 'them' against 'us' once more — and I think that if we did not have these attitudes, the economic progress which we made in 1978 to 1981 perhaps could have been improved by 50 per cent. (I say that in a quite considered way).

But the Securities Exchange, I hope, will make it possible for more Barbadians to own some of the

businesses which control the economic life of our country. Already Barbados Shipping and Trading does have widespread share ownership. This Bill, I hope, will serve to make it more widespread, because it will not any longer be possible to sell B.S.&T. shares, except through the Securities Exchange where everybody can bid for them.

It may not be generally known, Mr. Speaker, but at the auctions which used to be held in solicitors' offices and banks, the sellers always used to reserve their position and you might go to an auction and bid for a share, but, even if yours was the highest bid, it was open to the seller to decide not to sell to you. One hopes that there will be a more general distribution of the ownership of common stock of companies following the passing of this Bill.

We have heard a great deal of how the shareholders in Light and Power should raise the money and not ask for the public to contribute to expansion through the rates. That, of course, is one of the most fundamentally fallacious arguments that you can have, because where Light and Power borrows money to instal generation equipment, the equipment will be paid for within a certain time — you pay back the loan in 7, 10, 14, or 20 years. But where a shareholder advances money you have to pay the shareholder for ever for his money. But again I suspect that the sort of argument we had to put up with was one of these 'us' against 'them' — 'them' against 'us' confrontations.

I very sincerely hope that the Securities Exchange can create in Barbados such companies as have been created in Trinidad — ownership widened, new subscriptions coming from the public all the time — companies such as Neal and Massey — and there are others, but that is a well known successful one — the Caribbean's first multi-national, owned by a very, very large number of citizens of Trinidad and Tobago, and flourishing and successful without, Mr. Speaker, the 'us' and 'them' attitude bedevilling its operations.

There is really very little I can add. It is a conventional Bill for the control of a securities exchange. The clauses are designed to make things easy but without unreasonable licence.

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

Hon. L. S. CRAIG: I beg to second that and reserve my right to speak.

Mr. L. E. SANDIFORD: Mr. Speaker, the Bill now before us for the establishment of a securities exchange is one which relates to the economic structure of this country, and again it raises some very fundamental questions

about what kind of society we want to establish in this country, what will be the measure of economic activity in the country, and basically, who will own this country.

This particular measure is yet another one towards the structure of a more perfect capitalist society in Barbados, let me put it that way, because the securities exchange, or stock exchange, or whatever you may call it, *par excellence*, is one of the instruments of a capitalist society to enable the pieces of paper which denote ownership to pass from one owning group to another owning group.

In this country it is no secret — and this is not a matter of 'us' and 'them' — it is a fact that the ownership of the resources of this country is concentrated in a very few hands in this country, and certainly the establishment of a securities exchange would merely facilitate the circulation of those bits or pieces of paper among that narrow owning group.

I am going to support the measure, but that does not mean that we must not be realistic about the situation we are talking about. As I understand it, there may be a number of companies in this country — I do not know what is the number — most of those companies, as I understand it, are private companies, and as such, their requirements for equity capital, or their requirements for capital to service debts or the other needs of the business are not met, and cannot be met, by any general approach to the investing public for putting such funds into the companies.

It is only in very recent years that companies have started to go public, and it is inevitable that when once companies are going public there may be an attraction for the establishment of a securities exchange, or stock exchange, or whatever you may wish to call it.
10.50 a.m.

Now the kind of Barbados that we envisage is one in which the masses of people in this country are able to own part of the country, which is their birthright. We have been trying over the years to achieve this, but it is a painfully slow progress, and I am afraid that this measure, by itself, will not push that particular process on much faster.

I envisage that perhaps Government securities might be the largest block of securities traded on this stock exchange; the Government and those particular institutions — my colleague, the honourable Member for Christ Church East likes to call them para-statal institutions — which are constantly going to the market, and now we have these private companies which have a Government guarantee.

As far as the private companies are concerned, I think it will take a little time before this whole environ-

ment of financial activity involve them in terms of trading, the buying and selling of paper in an exchange, such as takes place in London or in any of the other regional centres in Britain — I do not know how many exchanges there are in Britain. There must be probably about four or five outside London itself, and in the United States, apart from the New York Exchange, you may have the American Stock Exchange and you may have another one based, I believe, in Miami and one based somewhere in California — but I suppose in the United States there must be about six or seven different exchanges.

It is that particular path that we are following, but Barbados is a kind of micro-mini state, and I recall — I believe it must have been in the late Sixties — that Jamaica took the decision to establish a stock exchange, and the volume of activity on that was very minimal, and I believe from early on it ran into some difficulties. I believe they may have sorted out those problems.

What kind of level of activity and volume of trading we would get in this country remains to be seen, but the point must be made at the start that if we are talking about a securities exchange, we are talking about the kind of economic and financial climate that is foreign to what has been in existence in this country to date, because the whole basis on which such a stock exchange exist and operates is one in which information flows freely about the nature of business activity, about the extent of business activity and about the movements within business. And this is all backed up and supported by a kind of financial interpretation, the dissemination of financial news, and by a Press that knows what is going on in business and passes that kind of information on to the general public.

We are virtually innocent of any such environment in this country, and we must be very careful, when we are setting up these institutions, based on structures outside Barbados in more complex societies, that we have the necessary accompanying facilities to enable the system that we are trying to establish to work properly.

So let us not think that this is a narrowly drawn Bill dealing only with some kind of esoteric financial matters. It is a Bill that, as I have said, touches the very fundamental question of what kind of society we want in this country, and it touches a very fundamental question of what kind of financial and economic arrangements we want in this country, and then it touches on the question of the necessary support services that would be required.

This presents a challenge. It presents a challenge, first of all, for the Press. I envisage that the communications media in this country will now have to utilise or to acquire the necessary expertise so that they can deepen

whatever financial reporting they do now, and it will be a question not merely of putting back out handouts from the business houses, but we will want more interpretation of trends and activities within the structure of business in Barbados.

Before this Parliament can effectively start to discuss this issue, we should really be given, not a mere technical explanation of the different clauses and the terms which may be used within the piece of legislation, but a survey of the structure of business in this country, because this tends to a kind of closed shop, and there are not many Barbadians right now who really understand and know how business is structured in this country, apart from some general statement about one or two or three big companies in the country and a lot of small ones.

How many companies are there in the country? What is the nature of their assets and liabilities? How many people do they employ? What is their shareholding? It is only against such a background that we could carry out a meaningful discussion of the Bill that is before us.

I have placed the matter in this broad context lest there be a temptation to think that this is merely a technical Bill for the experts, because it is a matter that affects all of us in this country and can affect all of us.

We want to see a situation develop in which we not only talk about worker participation, but we do something about it to ensure that workers are able to make an investment.....(*Asides*).....in which the workers of this country, I am using that term generally, are able to own shares in the businesses of this country. I think that is the objective. That is what we would like to see in this country.

11.00 a.m.

I do not believe that we should be trying to establish a society in which the Government gets deeper and deeper in the running of business, in the establishment of more and more corporations with less and less expertise, and with a corresponding inability to influence the necessary attitudes that go into such Government operations.

We want to see a regime established in which we have a private public sector, but in which we also have a vibrant private sector, and doubts have been raised as to whether we have that particular vibrant private sector.

Yesterday I heard some charges levelled against one important sector, about the lack of expertise in one sector of private enterprise, that is, the sugar industry. I am not necessarily claiming that or agreeing with it, I am simply saying that knowledgeable persons have levelled such charges.

In the small society that we have — in which, admittedly, in this piece of legislation it is said that a security exchange, on the one side, will be dealing with the buying and selling of securities, and, on the other side, will be dealing with the policing of the activities of those who engage in such dealings and who manage the exchange or participate in its activities — we immediately find ourselves with a problem: whereas in the United States, in Canada, in Britain and in Japan you have a larger pool of persons with the necessary knowledge about these matters to participate and to carry out these functions, and who carry them out against a background of a tradition that has developed over the years, that is not so in this country. We may very well find ourselves in a situation where we set up the mechanism and the framework, but then those particular factors which tend to give it essence and make it go are not really in place.

The whole area of offering investment advice — I made a reference to financial journalism, but now we come to the other area — the investment bankers, the investment brokers, the investment lawyers and those who are to advise the public at large as to what kind of investments may be desirable or what they may chance their investment on — I suspect that there will be a deficiency in these areas.

I believe that it will be incumbent upon the Government to start offering some national development scholarships or other kinds of awards to persons, to enable the country to develop a core of expertise in the new areas that such a security exchange will necessarily require. I will suggest to the Government that they give very strong consideration to this particular area, else, as I have said, we may end up with a shell, but the substance may not be there.

It is well-known, Mr. Speaker, that when the New York Stock Exchange sneezes other exchanges tend to catch a cold. What will happen with this little thing that we have here when we get interest rates starting to fall — (we get pneumonia) — and you get these bulls and bear markets developing and the fluctuations in the security market, is that we will certainly realise that we are exposing this country to influences which will definitely have a strong impact on what we may vote on here. We will not have that kind of insulation, whether desirable or not. We will not have that kind of insulation which have been wont to protect us to some extent from the worst aspects of the movement in the markets in other countries.

Mr. Speaker, there are a number of other areas which we may wish to address ourselves to. Perhaps when we get into Committee stage we may wish to look in more detail at some of these points, but I would like to again stress the need for a better flow of information on business activity in this country. I wish to stress the need

for the requisite support services which may be required, apart from the legal framework, to make this particular security exchange work.

I daresay that at the outset this particular institution that we may be establishing will, quite frankly, for a number of years be very marginal, will only be marginal to activities in this country. It will take several years before this particular institution can have the kind of impact on the economic life in this country that the farmers may be expecting.
11.10 a.m.

It is my view that it will take even longer to get going than the off-shore banking regime has taken to date. I really do not know what progress that has been made as far as that is concerned, but it must be painfully slow, even to those who cast high hopes on it. I really do not know how many off-shore banking firms who have been attracted to this country. I am certain if there was any substantial number, we would have heard sounds of praise being echoed, and I take the fact that we have not had such peons of praise to prove that it has not to date fulfilled the high expectations of those who were the framing fathers of it.

This particular one will be even slower, and this is not necessarily damning it with vague praise, because, as I have said, it is an institution which can be useful if we take the deliberate steps to ensure that ownership of the resources of this country are spread.

Mr. Speaker, I do not propose to be much longer on this. We are not opposing this particular measure. At the same time, we are not going into raptures over it. I believe it could be a desirable development, but a lot of other things need to be done in order to make it effective.

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

Mr. M. A. KING: Mr. Speaker, I well understand the position of the right honourable Member for St. Thomas that this Bill is designed to modernize the domestic financial system, together with other measures like the Companies Act, which is on the agenda for this session.

But it is ironic that all these measures which are designed to modernize the system, as he puts it, has come at a time that when the very environment in which they are designed to function is so depressed, in such chaotic state, and the opportunity for seeing the light ahead is so remote.

I have no doubt that a Bill of this sort is appropriate and necessary in an environment where trading and the whole area of business activity is developed to a high degree. But I have my doubts, Mr. Speaker, that the level of trading in shares and the volume of activity, which is necessary for the proper and effective functioning of a Bill of this kind; I have my doubts that that situation

exists in this country today and that the Bill really means as much, as the Prime Minister will have us believe, for the advancement of the people of this country.

I certainly think that his statement that the Bill will make it possible for more Barbadians to own more of the economic life of this country is a bit of an overstatement of the true position. The fact is that trading in shares and securities is a business which applies to those who are in a position to trade in shares and securities. And my feeling is that with the economic climate of Barbados the way it is today, it is well nigh impossible for those whom we would wish to see own more of the economic life of this country to be benefitting from measures of this kind at a time like this.

I say all that to say that, in my view, the introduction of a measure like this is not a matter of any great priority. It is just as well, of course, to get the basic structure of the economic system which you want to see existing in your country in place. The honourable Member for St. Michael South has made the point that this is part of the framework for perfecting a capitalist system, just as like the companies legislation and the reform of the companies legislation is all part of the over all attempt to perfect the operation of the capitalist system.

But what we are concerned about from this side, and what we as a Government and we as a Parliament should be concerned about, is that we should set about creating and perfecting mechanisms which would bring result in benefit and advancement to those at the lower end of the socio-economic ladder. In my view, measures of this kind, creation of a stock exchange and modernizing of companies legislation, will play no part, or a very insignificant part, in doing what the country most needs at a very critical and vital time like this.

This is a measure which largely applies to big business, just like the Companies Act which is before us. It is to them that this legislation is designed. But even so, I still have my concern that the volume of trading which would justify a stock exchange really exists in Barbados today.

When you look at the position of stock brokers who trade on the exchanges in the developed countries, where trading is big, when you look at the type of commissions that they are able to earn on trading in stocks and shares, they get a relatively small percentage, but percentage of a large volume. And it is very clear and should be clear to all of us that the sort of volume which could possibly exist in Barbados on a stock market in Barbados, the capital market, could not justify or create a situation where stock brokers would get very much out of the trading which they are engaged in.

The honourable Member for St. Michael South made the point that perhaps para-statal corporations' shares

might be the shares most freely traded on the stock market. But the position is that Government corporations' shares are worth so very little, that perhaps there has been so very little trading going on in shares of those corporations on the stock markets of Barbados.

And I do not know, from the point of view of Government policy that Government would necessarily want to trade shares. Not that Government would not wish it, but certainly the public would hardly be interested in trading in shares of Government corporations unless they could be satisfied that the management of those corporations and the financial ability of those corporations is sound.

Perhaps this Bill presents a challenge to the Government to ensure that the statutory corporations which have been created, and in which it is usually the majority or the only shareholder a challenge to the Government to ensure that the statutory corporations which exist in Barbados today are so well and properly managed, and function so efficiently, that their shares are worth something on the market.

11.20 a.m.

A long debate took place yesterday about the sugar industry. Barbados Sugar Factories obviously would have shares which would be capable of being traded on the securities market, but it must be abundantly clear that for the public to have confidence to want to invest and to buy shares and trade in shares of institutions like Barbados Sugar Factories Limited, the management of that corporation, the functioning of that corporation, has to be such as to justify the public in wanting to trade in shares of an organisation like that.

But when all is said and done, in the final analysis in Barbados the level of business activity is not infinite. There is a limited amount of shares which are going to be available for trading anyhow, and I would like to hear the view of the Government as to whether they can give this Honourable House any information as to the level of activity which it is anticipated this Bill would cover. Could we have some information, for instance, on the number of shares which are actually traded on the market in Barbados? Is that information available? I would also like to know whether any analysis was done to see whether the level of trading in shares is of such a degree as to justify the passing of this Bill at this time.

It is no use, of course, just passing legislation to say that legislation is on the Statute Book. It is no point having legislation to say that you are modernising the financial system, if, in the final analysis, there is not going to be an awful lot of use for the legislation which is on the Statute Book.

We would like to have some further information on the level of activity which it is anticipated would result, that would actually take place in trading of shares in Barbados at a time like this.

In discussing matters of this kind that involve the commercial and business sector, and that includes industry as well, the sugar industry which we discussed yesterday, from time to time honourable Members on the other side are inclined to raise the issue of race whenever we talk in terms of sugar factories, sugar, or in terms of commercial activity, and try to create the impression that we are raising a racial bugbear every time these issues come to be discussed.

But the fact has got to be acknowledged, irrespective of how you deal with it, that business and industry in Barbados has for a long time been controlled and directed and managed by a small minority group which happens to be white. That is a fact, so that it does not alter the position to say that you are talking race and ignore the facts.

What we have got to be concerned about when we are discussing all these matters, whether we are talking about industry, business, commercial activity, is that the level of ownership and participation in business and industry in this country is spread widely throughout the country, that those people in this country who did not have an opportunity to participate in business and industry before have an opportunity to do so.

It is important that we should not gloss over the ultimate concerns by raising a racial bugbear every time and say the reason why objection is coming from the Opposition is because the Opposition objects to the participation by a small minority in the business affairs of this country.

Whether the owners of the sugar industry were white or black, whether the owners of business are white or black, if the industry and business is controlled by a small minority group, whether the minority is elite or not, whether the concentration of activity is in one small area, I think justice demands that whether they are black or white they should be criticised with a view to ensuring that the spread of ownership is much wider and that those who do not possess are not always held in bondage and in hock to those who own the wealth of the country.

So it is time that this suggestion — an unreasonable suggestion, I venture to state — about the injection of race in these debates should stop, and that we should look at the issues and see what are the objectives which are wished for by all of us. And when the right honourable Member for St. Thomas makes the point that this

Bill will ensure that more Barbadians have a chance to participate in the economic life of this country, I think it is over simplifying the position, it does not get down to the meat of the issue, because the fact is that as the law stands now Barbadians at all levels have the right to invest in a number of public companies.

The right honourable Member for St. Thomas has made the point that Barbados Shipping and Trading has a number of Barbadians, and a number of ordinary Barbadians, who have a number of shares in the company, but what we have to concern ourselves about, Mr. Speaker, is whether the ownership of a few shares in Barbados Shipping and Trading by the lower income groups of this country is really sort of spreading the ownership of the industry.

What does it mean to them? Do those people attend and participate in meetings of Barbados Shipping and Trading? Are they in any sort of position where they could control, direct and influence any of the policies of big corporations like Barbados Shipping and Trading? Or is it just that a token situation exists where people who own a small number of shares are regarded as having access, from the point of view of tokenism, to ownership of big business operations, but in the final analysis have no influence whatsoever in directing, controlling and influencing any of the activities of these large corporations.

11.30 a.m.

I think we have to be realistic about measures of this sort which come before this Honourable Chamber. We do not plea to overstate the case. It is all right to state the fact simply, that it is designed to deal with the problem of modernising the economic system, but it is not necessary to overstate your case and make the point that it is going to do so much for the spread of ownership among the masses of the Barbadian public. It is going to do no more than exists at this time, and that is the situation we are going to be faced with.

In the final analysis, Mr. Speaker, although we have no major disagreement with the establishment of security exchange as such, our concern is that it is not really at this time coming to grips with the problems which are facing us in this country, at a time when everything is depressed in the country, the whole economic life is under strain, and we would ourselves have wished that measures coming before this House should be more concerned now with dealing with the problem of alleviating the difficulties which Barbadians are being faced with at this time. With those reservations, Mr. Speaker, I myself have nothing much more to say on this measure.

Hon. L. R. TULL: Mr. Speaker, the contributions of the honourable Members on the other side with respect

to this Bill are a little bit hazy, in that they do not set out specifically whether they are supportive of the Bill, and if they are critical, in what regard.

The honourable Member for St. Michael South, who is usually level-headed in these things, made what, to my mind, is one of the most reactionary speeches that I have heard in this Chamber since I have been here, because the brunt of his contribution was that there is no special expertise in Barbados to deal with securities exchange, that that type of activity was something that was alien to the Barbados economic environment, and therefore leave it alone.

If the honourable Member would take a look at the history of the commercial activity in Barbados.....

Mr. L. E. SANDIFORD: On a point of elucidation, Mr. Speaker, I never said anywhere in my speech that it should be left alone. I said that the impact of the securities exchange would not fully be felt for many years to come, and that other support services would be needed.

I generally welcome the measure, but I simply said it would take several years before its full impact would come, and I even made suggestions as to how we should go about to get into place.

Hon. L. R. TULL: I accept the honourable Member's explanation of his own position, but I have a clear recollection of the honourable Member talking about stock exchanges in developed countries and making the point that Barbados was a micro mini-state and therefore what obtained in big industrial countries was not necessarily what was required in a micro mini-state.

I am sorry if I misunderstood him, but I thought that was the burden of what he was saying, and he went on to say — I am paraphrasing him, I am not using his exact words — that it was giving a boost to capitalisation or some such thing.

It is important that the honourable Member realise that the ownership patterns in Barbados have shifted fairly considerably in the last 20 to 25 years. It has not yet reached a situation that anybody, either on that side or this, would consider as ideal, but you cannot help getting the feeling from what the honourable Member for Christ Church West Central was saying that the ownership of resources in Barbados is in the hands of a small number of people, and what he is concerned about is that the base of ownership should be wider. Nobody can quarrel with that, but I cannot understand what is his proposal for widening that base.

What the Securities Exchange Bill tries to do is to regulate the administration and the transfer of securities

and shares in Barbados, and it has some very stiff provisions in here to make sure that there is not the type of dishonest dabbling in the transfer of shares that no doubt has been plaguing commercial activity in Barbados from time immemorial. I understand it to be putting on a more stable and reliable basis the whole set of activity in relation to transfer of securities in this country.

This Bill should be read in conjunction with the new Companies Bill, because the new Bill, which will be discussed some time later in this session, I hope, and where perhaps the brunt of the contribution can be made in respect of a new Government perspective in commercial activity in Barbados, is, I think, really the one that would be better suited for making the type of contribution that the honourable Members have been trying to make and that I myself would want to make at a later stage.

All the bogies, all the things that have done a lot to stymie the development of proper practices with commercial activity here in Barbados have been critically analysed, for the first time, and put on a more responsible base in the Companies Bill. The whole question of notice, the rights of employees and shareholders, and the requirement that more notice must be given by companies to the people so that they would be in a better position to appreciate whether the company is operating in the interest of the shareholders or in the interest of the directors, all these things, and a whole lot more that will be discussed at a later stage, are included in the provisions of the new Bill that is operating almost in harness with this one.

Now I agree with the honourable Member for St. Michael South, that in a small state the amount of activity on a securities exchange would be minimal, but I do not think that is an argument against it at all. (Asides) I was saying, Mr. Speaker, that the fact that there will be minimal activity is not an argument against the establishment of the exchange. There is a lot more, Mr. Speaker, that perhaps might better be dealt with in Committee when we are dealing with the clauses of the Bill as they come up.

Mr. Speaker, I support the Bill and I am glad of the assurance of the honourable Deputy Leader of the Opposition that he also supports the Bill.

The question that the Bill be read a second time was put and resolved in the affirmative without division.

On motion of Hon. L. S. CRAIG, seconded by Hon. Dr. R. L. CHELTENHAM, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

11.40 a.m.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clause 1 was called and passed.

Clause 2 was called.

Mr. L. E. SANDIFORD: Speaking on this matter, Mr. Chairman, I wonder if the Minister of Trade — we have not heard anything from him yet in this debate — the Acting Minister of Trade — we welcome him to the front benches in his temporary capacity — but I know we have places like Wall Street and I wonder if he can tell us where the headquarters for this Securities Exchange would be?

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

Clause 3 was called and passed.

Clause 4 was called.

Mr. L. E. SANDIFORD: Mr. Chairman, under Clause 4, Market Terminology, the securities which may be traded on this Stock Exchange may include, according to 4(c) "any Bond, Debenture or other debt obligation of the Government of Barbados" and (d) "Any bond, debenture or other debt obligation of any statutory board or Crown Agency" and so on.

I wonder if the Minister of Finance could tell us whether he intends to create — (*Asides*)... (this is specially for him) — a special regime within statutory corporations of shares in those Corporations which may be open to the public so that they can invest in these Corporations as well, and if the intention is that some of these shares may be traded on the stock exchange, or whether he is merely thinking in terms of floating paper on that exchange.

Rt. Hon. J. M. G. M. ADAMS: I have not gone so far as to think that shares of statutory corporations should be floated in the stock exchange, since I was regarding them more as private companies.

But the honourable Member seems to be more successful in reading the mind of the Minister of Finance than the Member for St. Michael South Central has been in reading illegally obtained documents from Ministers.

Sometime ago the very point that the honourable Member has made came to me — it was when I was Minister of Broadcasting — and I indeed did not only ask but I directed that the Caribbean Broadcasting Corporation be given a shareholding just like the Barbados Development Bank, and that some of this shareholding

could be made available to interesting bodies, not individuals.

I thought first that the Barbados Workers Union might well have wished to take shares in the Caribbean Broadcasting Corporation which, after all has the capacity to pay a dividend. If it were a company limited by shareholding, it could make a sufficient amount of money to pay dividends.

The idea came to very little. It got bogged down in the accounts, in the financial restructuring, in dividing the CBC into two, the television side and the broadcasting side.

But the idea remains on the cards, that there are statutory corporations, some of which might be a good investment for bodies and individuals, and some of which could very well have a shareholding which is held by bodies that are represented now, as a matter either of legislation or as practice, on the Board.

The Barbados Development Bank does have a substantial shareholding. At one stage there was a question of the Barbados National Bank taking some, all, a majority or minority interest in the BDB. That again is still in the process of consideration.

But the Government has no principles which would debar the sale to groups, in public at least, of shareholdings in a statutory corporation. We have no principle whatsoever that says that every statutory corporation must be wholly-owned; some are.

The Barbados Mortgage Finance Company is an example of a company that has other shareholdings and became wholly-owned by an agency of Government, by the Barbados National Bank, but it need not have been wholly-owned.

Even if the Government were to take a 51 percent share in the Electric Company, we would not turn the Electric Company into a Statutory Corporation. We would be content for a National Insurance Board, and perhaps one or two other arms of Government, to own shares which are held for their commercial value rather than for transforming the structure of the company.

Indeed, in the Barbados Sugar Factories, all the Government's agencies put together are the largest shareholder, but we have not turned them into a statutory corporation.

Whether anybody, for example, would put money into the BMC, which I think is a fine example of a company that could be limited by shares and invite participation from the public, is a questionable matter, even though it now makes a profit. That is also one of

the Corporations in which I would consider some devolution of ownership.

So the answer to the honourable Member's query is, "yes, the Government has considered the offering of shares of statutory corporations" but "no", we are not considering that the shares would be traded across the Securities Exchange.

If you think that we can make money from it, we would be glad to take the advice of the honourable Member. If he can think of any Government statutory corporation where the Government can pick up a couple million dollars assisting its operations, other than the ones I have mentioned, I would be glad to give it some thought too.

Mr. CHAIRMAN: The question is that Clause 4 stand part.

Mr. L. E. SANDIFORD: I am glad, Mr. Chairman, for the words of the Prime Minister. It seems as though, in these moments, there is some kind of progressive thought somewhere along the line. But maybe he allows himself to be overruled on the wrong matters, and in a matter like this, which may be progressive, perhaps he should press his views a little more.
11.50 a.m.

I think this is an area in which we will have to move if we are to make the statement that something is owned by the people of Barbados more meaningful. I think this is a progressive direction in which we should look.

But this whole area of the bond debentures, or other debt obligation of any statutory board, or Crown agency is, in fact, a very important part of such legislation. When you consider, Mr. Chairman, that it is such bonds and such types of securities which tend to constitute the gilt edge of security or stock exchanges, it would be seen how important this would be.

What we are in fact dealing with now are those types of securities, and they come from Government holdings, from the holdings of bonds or other securities of the statutory corporations or other Crown agencies, as they are called here, which constitutes those so call safer forms of investments which people might be interested in investing in.....(Asides) (It is not a Second Reading speech).

So the point I am raising on this matter is a very significant one, although I do not quite understand the latter part of 4(d) which speaks about any bond debenture, "of any agency of the Government of another country or any political sub-division thereof."

I wonder if the Minister can tell us what he has in mind when he speaks of the "political subdivision thereof."

Is this a province of Canada that he might have in mind? What exactly is the thinking behind this particular phraseology?

Rt. Hon. J. M. G. M. ADAMS: The honourable Member has answered his own question — a province of Canada or a state in the United States.

Clause 4 was passed.

Clause 5 was called.

Dr. R. C. HAYNES: Mr. Chairman, in Committee, I am not speaking in the context of a Second Reading, in which I did not participate, of course. There are one or two questions I would like to raise here. First of all in section (1), a public company is defined as "a corporation with share capital, any share, bond, debenture or other debt obligation of which (hereinafter in this section called "corporate obligation") is or was part of the distribution to the public or intended for distribution to the public.

I wonder, Sir, whether or not the right honourable Prime Minister and Minister of Finance would have given full consideration to the question of disclosures in relation to public issues, bearing in mind that many private corporations which have gone public in this country, when you examine the balance sheets for the preceding three years, you can see a gradual movement whereby there was a tremendous revaluation and reallocation of stock in favour of the existing shareholders; so that those who bought in when the company eventually went public really bought into a diluted stock situation, and in fact reinforced the investment capital of the existing stockholders, and their money has been used principally for the purpose of providing cheaper money than could be obtained on the market.

I really wonder if the honourable Minister would consider that there should be adequate protection of the public in this kind of situation, because it can be abused. And whereas one does agree in principle that this statutory instrument is desirable in Barbados, one recognizes the serious limitations of the market, particularly in a period of recession, and it is absolutely essential that there should be full disclosures, also, as I said, proper arrangements made to ensure that insider information does not operate to the disadvantage of the purchasing public, and, finally, Sir, to ensure that the stock values as quoted are not artificially inflated by prior revaluation of fixed and other assets as has been the case in this country.

I do not want to refer to any particular company, but I can think of two or three that I have personally examined when I was considering this particular clause of this particular Bill as a particular danger in relation to Barbados, bearing in mind recent experiences of companies that have gone public.

Hon. L. R. TULL: The two points raised by the honourable Member, Sir, one in respect of disclosures and the other in respect of insider trading are all dealt with really comprehensively. (*Asides*)... Well, insider information and insider trading are related.

In respect to disclosures, for a long time the law in Barbados in respect to companies has been such that directors were not required to disclose considerable portions of the activity of a company, and this often worked to the disadvantage of shareholders.

The Companies Bill, which is currently before the House, has put into law for the first time in this country a wide range of areas of disclosure that will be necessary for the future, and this will militate against the dishonest and unfair activity by directors in public; and indeed in some private, companies in Barbados.

In respect to the ownership and insider trading, this is the principle Sir, where a director, by his position inside of a company, can acquire confidential information in the trading of shares inside his own company, and he can use this to make a big profit because of the privileged and confidential nature of his position.
12.00 noon.

In the past, the law has been that the director had no fiduciary relationship with the shareholder, and therefore if he uses inside information to make a big killing without the knowledge of the shareholder, the shareholder had no remedy in law against this.

The Companies Bill has rectified that and has made it a crime — not only civil remedy, but a crime — for a director to use his fiduciary position, the position where he has inside information, to make money for himself. That is now a crime, and this is in relation to shareholders and other persons.

When we deal with the Companies Bill I will perhaps talk about this at greater length, but there is something that I find disturbingly defective about this, that there is not also a penalty against a person who has been given a tip off by the director, and that person needs to be brought within the ambit of the penalties. The director may say, "I do not have to buy these shares and make a killing, but I will give my friend the tip off and let him get in and make the killing" I believe that perhaps the law is a little bit defective in that regard, because they should bring everybody into it.

The whole purpose of this Bill, as I was pointing out in Second Reading, is to remove a number of these irregularities and to allow everybody to look behind the corporate veil — it is almost a corporate iron curtain now, Sir — to see the activities of directors; to allow shareholders and the general public, and employees,

an opportunity to see what is happening behind there, to make sure that they are operating in the interest not only of the company, but of the shareholders and of the public of Barbados as a whole.

Dr. R. C. HAYNES: Mr. Chairman, I am very glad that the honourable Minister brought in the area of inside information, or inside trading, by not restricting it to directors benefiting themselves.

As we know, there has recently been a major scandal on the Trinidad Stock Exchange where in point of fact the essential ingredient of what was taking place was not directors themselves benefiting, but directors using the inside information to pass the information on to other would-be purchasers of stock on the Exchange.

Therefore, I would suggest that if the honourable Attorney General recognises this as a potential defect in the Companies Act under which this would operate, then perhaps he will seek to rectify it before the Bill is dealt with in Parliament, or when it is being dealt with in Parliament.

It is a very significant point that he raised, that much of the infelicitous happenings in relation to stock trading in small communities in the Caribbean does not relate to individuals within the company themselves benefiting from the information, but by passing it on and probably getting kick-backs in those circumstances.

I think it is something that we have to bear in mind, take it very seriously, and if such protection can be offered in another major piece of legislation — I would not wish to anticipate any matter coming before the House — this should be taken care of, because I see this as a major danger in this area.

Mr. CHAIRMAN: So we leave it for the Companies Act when it comes before the House.

The question that Clause 5 stand part was put and resolved in the affirmative without division.

Clauses 6 to 8 inclusive were called and passed.

Clause 9 was called.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, I beg to move that Clause 9 stand part.

Mr. L. L. SISNETT: I beg to second that.

Dr. R. C. HAYNES: One clarification, Sir, I have a little difficulty and I am seeking a clarification. One of the premises of the introduction of offshore banking in Barbados — and I think this was generally agreed at the time of debate — was that one would seek to limit

any contamination of the domestic market by leakages of funds in one direction or another direction — either from the offshore sector to the domestic banking sector, or the banking sector to the domestic sector, except, of course, in situations where Government may wish to make a loan or approve a loan, or some special arrangement with the Central Bank.

I am not sure, Sir, and I am raising a query, whether or not this particular 2(b), relating to offshore banks, would affect the principle of non-contamination, which I think is a generally accepted principle, that it would not be too desirable to have too close relations between these two sectors because of the natural dislocations that may take place within the economy, and I think that the Offshore Banking Act is so structured, particularly in the first or second amendment, I do not remember which one, even to reinforce that particular situation.

I am asking whether or not this weakens, strengthens or in any way alters that general principle of separation of the two areas of banking within our system here.

Rt. Hon. J. M. G. M. ADAMS: I really do not want to be contentious, but I think the honourable Member must have asked that question just because he read the words "offshore bank." If you do not put "offshore banks" in that section, every offshore bank would have to become a member of the Stock Exchange, and therefore you would get the contamination if you did not include the words. The only way you could insulate offshore banks from the Securities Exchange is to exclude them from the definition of investment counsellors.

Mr. L. E. SANDIFORD: I also have a problem, and I am also seeking clarification. In Clause 9(2) there is a list of persons or institutions which excludes those persons or institutions from being considered as investment advisers or investment counsel simply because they fall within the particular provision.

In 9(2)(e)(ii) there is a list which includes "a member in good standing of the Institute of Chartered Accountants in Barbados, the Institute of Chartered Secretaries and Administrators, or the Chartered Institute of Public Finance and Accountancy."

12.10 p.m.

It appears to me that most of these qualifications, if not all, seem to be British qualifications, apart from the Institute of Chartered Accountants of Barbados, and I am wondering if there were persons who gained qualifications outside those listed here — for instance, it may be in France or in the United States — whether they might find themselves in an invidious or unfortunate or different position from those who are included in this particular

section. It seems to me that these bodies which are listed here are peculiarly British institutions.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman the obvious answer to the honourable Member's question is "yes". I would not wish a debate on securities exchange to become a debate on a potential Accountants Act and therefore I would not go any further into it.

I do not even know what the rules are but I know that we are re-considering them because of all kinds of difficulties relating to accountants' qualifications, but we do suffer in Barbados from narrow professional qualifications.

For a long time you could not practise as a doctor unless you had a Commonwealth qualification or were licensed by the State Board of New York, and indeed that may still be the law. I think that some provision for the Government to employ doctors who are qualified in such out of the way places as Massachusetts and California exists, but I do not believe that generally, an American doctor can practice in Barbados.

We used to have a very stern provision of law which allowed English barristers and Scottish advocates to practise at the Bar in Barbados. We have now replaced it by an even more stern, and I think unnecessary, provision of law as a result of a treaty that allows only lawyers who have spent two year in a law school in Trinidad, where the profession is still divided, to practise in Barbados.

The rules for engineers have given rise to all kinds of difficult situations as a result of which people universally recognised in Barbados as engineers are not allowed to practise and have to hire inexperienced staff from England to, so to speak, to be the engineer in their firm, so that they are allowed to work.

I cannot recall the law relating to accountants. Just glancing at the list of Statutes tells me that there is no Accountants Act, and the only reference to accountants probably is in the Professions (Registration) Act, which just says "accountant", and leaves it to people that want to practise as accountants to pay the fee, register and practise.

The point made by the honourable Member relates to an incident that is so much wider than the Securities Exchange Act that I really cannot handle it.

No doubt we should allow French, Russian, Japanese, Canadian and American accountants to practise, and we should have an Accountants Act and so on, but I think, Sir, that is a little bit outside the immediate scope of Clause 9(2) (e) par.(ii). I can only just tell the honourable

Member that he is correct; persons who have French qualifications will have to be registered as investment advisers.

While reading that section, I will advise honourable Members to turn to Section 11(2) if they want to see the purpose of this section.

The question that Clause 9 stand part was put and resolved in the affirmative without division.

Clause 10 was called.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, I beg to move that Clause 10 stand part.

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

Dr. R. C. HAYNES: One very brief matter under Clause 10 (1) which reads: "No person except the Exchange shall establish or maintain a stock market or a securities market in Barbados, or hold himself out as providing or maintaining a stock market or securities market in Barbados".

Now I am raising this for one clarification. It can be said, Sir, that to some extent in Barbados at the moment there is already an element of trading in stocks. This has been done either through solicitors or through Trust Companies, and from time to time you see advertisements in the local newspapers where shares are offered to the public.

My question is whether or not this particular section prohibits that kind of activity once this Act becomes effective. In other words, all trading in relation to the public must go through the ambit of this piece of legislation. That is the single point I would wish to raise. I am not very clear on that matter.

Rt. Hon. J. M. G. M. ADAMS: It will all have to go through the Securities Exchange. Banks and solicitors would not be able to sell them any more.

The question that Clause 10 stand part was put and resolved in the affirmative without division.

Clause 11 was called and passed.

Mr. CHAIRMAN: The remainder of the Bill is in parts, and I think it is agreed that we should do it in parts and give a little extra time for consideration and so on. That has been my impression.

Parts I, II, III, and IV were called and passed.

On motion of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. R. TULL, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER

resumed the Chair and reported accordingly.
12.20 p.m.

On separate motions of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

Mr. SPEAKER: Order No. 1.

Order No. 1 was called — To move that the House resolve itself into Committee of Supply to consider the grant of sums of money for the service of this Island.

On motion of Hon. L. S. CRAIG, seconded by Hon. DeL. O. BRADSHAW, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. ODLE in the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is in Committee.

HEAD 36 — MINISTRY OF HEALTH

Subhead 2 — Grants and Subventions Part (b)

Rt. Hon. J. M. G. M. ADAMS: This is a very simple matter of a misdescription, a very very simple matter. For some reason, the London School of Tropical Medicine dominated the consciousness of whoever wrote the note in the Estimates, when we really meant to send the money to the Incorporated Liverpool School of Tropical Medicine.

I beg to move that the note be amended accordingly from "London School of Tropical Medicine" to "Incorporated Liverpool School of Tropical Medicine."

I apologise for the Minister of Health, who is at a PAHO Meeting.

Mr. CHAIRMAN: The question is that this Resolution to amend the note.....

Mr. L. E. SANDIFORD: May I ask the appropriate Minister — I do not know if that is the right phrase — whether this is an ongoing activity. Is it an ongoing activity this Incorporated Liverpool School of Tropical Medicine? I wonder if we can get some further explanation on this. What is it all about? I think we should be given some kind of information on this. What is it?

Rt. Hon. J. M. G. M. ADAMS: Does the honourable Member really want me to answer the question? Apparently the Acting Minister has only just got the file.

There is a very well-known school of tropical medicine at Liverpool as perhaps, the honourable Member for St. Michael South Central knows too. A new chair, I believe in Entomology, is being founded at that school named after the late Speaker of the House of Commons, former Chancellor of the Exchequer, a former benture of my Inn, Mr. Selwyn Lloyd, and it is to be called the Selwyn Lloyd Chair of Medical Entomology. It is going to do research, it is going to train scientists in the control of insect borne diseases.

It seems that UWI Medical School has a collaborative programme with Liverpool Institute, and I suppose joint research is done and some assistance is done in respect of insect borne diseases.

There was some division of opinion in the Government over this \$5 000 because the Ministry of Agriculture is apparently satisfied that the present UWI Department of Veterinary Parasitology is carrying out adequate programmes and accordingly recommended that we do not send the money.

The Cabinet and the Minister of Finance gave the matter some consideration and decided that since for so many years there has been a great deal of advice and assistance coming from the Liverpool Institute of Tropical Medicine, most recently in connection with the control of yellow fever and dengue fever, that the money should be paid.

It is however, that as I said, an ordinary everyday error was made and the money was committed to the London School rather than the Liverpool School.

Now I really cannot help the honourable Member any more because I am not a Medical Entomologist. I only, broadly speaking, know what yellow fever and dengue fever are in a very broad way.

Honourable Members evidently wish the House of Assembly to go into continuous session, and therefore they can ask questions designed either to discover information or expose the depth of knowledge available to the Prime Minister and other Members of the Government. I would be glad to expose what knowledge I have and what knowledge I can acquire, by reminding myself of past issues from files.

12.30 p.m.

But we have thirteen items on the Order Paper and if honourable Members wish to go into continuous session, or more or less continuous session within the next few days, I will find out everything there is about the Liverpool Institute of Tropical Medicine and perhaps tell you more about that later. I do not know what his address is in Liverpool but I believe that I can find that if the honourable Member wants to know.

Mr. L. E. SANDIFORD: Mr. Chairman, the Prime Minister has in fact exposed his technical knowledge and has given most of the information that I required. We over here really did not want any extensive research of the files, but it is that we were not familiar with this particular matter. We wanted some explanation as to exactly what it was all about; we could not immediately recall.

But it is our business to ask these questions, and the imputation that the question was asked merely to prolong a session, I think that is really attributing improper motives, and certainly untrue motives, as far as this particular question or indeed any other question that has been asked during this session may be concerned.

I do not think that it is really right for the Prime Minister to make such a suggestion on that particular point. It is not true, and I believe that it was a bit unworthy of the Prime Minister to make such a suggestion.

And may I ask then, is this meant to be an on-going contribution or was it only for the specific year?

Rt. Hon. J. M. G. M. ADAMS: I do withdraw any imputation of any dishonourable motives. I believe that an on-going contribution was made to the London School of Tropical Medicine but in relation to the Liverpool School of Tropical Medicine, this is intended to be for the institution of the Chair, so far as I know.

Mr. CHAIRMAN: The question is....

Dr. R. C. HAYNES: Mr. Chairman, I am a little concerned about the size of the contribution — it seems to me to be a large amount of money, \$316 000 or thereabouts — and it would be interesting to have some further details as to how this figure was arrived at as the contribution from Barbados of \$316 000. (*Asides*)

Mr. CHAIRMAN: That is the total figure under this Head.

Hon. L. S. CRAIG: It is \$5 000, Sir. (*Asides*) I know you like big figures, but it is \$ 5 000.

Dr. R. C. HAYNES: Sorry. But the point I am trying to make, Sir, is that this highlights the important research within this area.

I think that we as Parliamentarians do not show or pay enough attention to research. I think some time ago I said that I thought that Parliament should set up a Science and Technological Sub-Committee in view of the changes in the environment and the heavy stress on

science and technology which has taken place in Barbados. Many parliaments in the world have such a Science and Technology Sub-Committee.

The amount of money that is made available for medical research in Barbados is very small indeed, and I am making an appeal for a significant increase in money to be made available for medical research in Barbados.

Sir, there is mention of the London School of Tropical Hygiene here, and indeed, Sir, I would like to say that Barbados has benefitted over the years from its association with the London School of Tropical Hygiene, which should not be downgraded in any way.

Recently, for example, we had an outbreak of leptospirosis in Barbados, and Members might be interested to know that for many years there has been tremendous dispute as to whether leptospirosis existed in Barbados at all. And two major contributions have been made by Barbadians, without any assistance from Government, in research in that area. One was the late Dr. Bayley of Bayley's Clinic who in his MD thesis many years ago made a clear diagnosis of the symptomology and certain basic features relating to leptospirosis. That was ignored.

Of very significant interest, Sir, another major contribution was made by Dr. Donawa, the vet, who for many years had insisted that leptospirosis existed in Barbados. For many years he pointed out that leptospirosis existed in Barbados, and many people did not take him very seriously.

So there were two contributions, one by the late Dr. Bayley, one by Dr. Donawa, and then there was work done by myself and Dr. dos Santos, a former pathologist at the hospital in the late 1960's, and we reached a certain point in the investigative process and then found it extremely difficult to get money from the Government, or from anywhere else, in order to pursue the differential diagnosis between leptospirosis and infectious hepatitis. And it was the London School of Tropical Hygiene who assisted us, and in fact set up the technology for doing certain test on the serum of patients to determine the prevalence and other factors relating to leptospirosis in Barbados.

We also had the benefit of very great epidemiological studies here by Dr. Vaughan Wells, but of interest, Sir, is what finally clinched it and put beyond any doubt that leptospirosis existed in Barbados. When that canal behind the hospital was being built, a series of persons were admitted to the hospital with jaundice and strange symptoms which could not be said to be due to infectious hepatitis, and the epidemiological evidence finally clinched the position in Barbados.

It is also of interest, Sir, and of some concern to me, that the immediate cause for the establishment of the Intensive Care Unit in Barbados was not heart problems. The immediate factor was to deal with sudden deaths arising out of cases of leptospirosis, because very often patients may have no symptoms at all but the leptospiral organism invades the muscles of the heart, and you would see a patient come in feeling a bit unwell, as if with the flu, and then all of a sudden they are dead. So the reason for the establishment of the first machines that we brought in was to deal with leptospirosis.

I was somewhat concerned about the reported mortality from leptospirosis, because, in my view, and my considered judgment, with early diagnosis and with extensive monitoring, the mortality of leptospirosis should be exceedingly small.

12.40 p.m.

In terms of the diagnosis, treatment and management of leptospirosis, Barbadian doctors, Barbadian veterinarians and the London School of Tropical Hygiene have played a very important role in that area, and I would hope to see that we continue to keep the morbidity and the mortality from this particular disease down.

Very often, much of the research that is being done in Barbados is not known, and people do not know what is happening because we do not have any money. Doctors do not get any money, or a very small amount of money from the public purse in order to pursue medical research in Barbados, and it is only out of local research that you are going to be able to identify and deal with the problems relating to Barbados.

Do you know, Sir — and this is going to surprise you now as a distinguished scientist — and I do not mean to flatter the Chair, but the Chairman is a distinguished scientist — that one of the major diseases affecting the abdominal organs was first diagnosed in Barbados, and there are major research units all over the world pursuing that.

This must be about 200 years ago: There was a more active research position going on in Barbados in respect of medicine than today. If you do not believe me, Sir, look through the records of the medical care offered to slaves in Barbados which really represents the origins of our health service in this country, and you will find some very interesting research work being done in Barbados at that time, because there was a tremendous economic factor involved in medical research in order to keep slaves fit and alive and at work.

But for some reason or other I think we have to get more scientifically oriented and that this Parliament itself has to come to grips some time with the whole question

of science and technology in relation to the development of Barbados.

One recognises that this is not the kind of problem which should necessarily be debated on the Floor of the House, but I make a plea once again to set up a Select Committee on Science and Technology, which would cover the problems in the sugar industry, the problems of industrial health, the problems of medicine, the problems in the area of the care of animals.

Throughout the whole range of science and technology I think that we can be able to have a sub-committee that will have a continuing dialogue with many experts in the area. We have so many experts in Barbados in almost every scientific area, it would surprise you.

Members often say I have inside information, that I have all sorts of information, but there is hardly a matter that comes before this House that I cannot recognise someone in my constituency whom I represent whom I can call and ask for information or assistance in any matter. It is a constituency that is loaded with scientists from various categories.

I can tell you that we have the resources here that probably with the expenditure of \$50 000 to \$60 000 a year in the area of research work in medicine, we will be able to make significant progress in several fields.

I do not need to identify those fields now, Sir, because I think Members are a little tired, having been here pretty late last night, but this does give the opportunity to recognise that whilst we make contributions of this kind, and I am one of those persons who feel that making a contribution to learning, whether it be domestically or externally, is an exceedingly highly desirable thing, and I will support the Resolution.

I also make a plea at the same time, when the Estimates are being considered for next year, to make sure that that vote for medical research in Barbados is substantially increased, because I can give you many other instances of the work done by Barbadian doctors which have redounded considerably to the benefit of the community.

Fifteen years ago, it was felt that there was nothing called coronary heart disease in Barbados, that nobody had heart attacks in Barbados, or that they were very rare. But the work of Barbadian doctors have demonstrated beyond any doubt that the problem is as severe as in most developed countries. Here again they have had to labour without any kind of assistance, even without secretarial assistance.

In the area of diabetes, a tremendous amount of work can be done here of benefit to Barbadians; but

there is no money — you are struggling to get a part-time secretary. When I established the diabetic and endocrine service at the Queen Elizabeth Hospital, you were struggling to get a part-time secretary.

Cancer research. There are certain problems relating to cancer and certain types of cancer we see here with a frequency which would suggest some local pathogenesis in relation to the size of the population. That is an area for research, because when you start moving into one particular area, the spin-offs can be tremendous in other areas. The basic technology, as you know, Sir, as a distinguished scientist, remains the same, and once that body of scientific information is gathered together, then it provides for a major take-off in the area of research.

And if you put in the seed money — and this is my final point — once you put in that seed money, you would be surprised to see the millions of dollars that you can attract for medical research in Barbados, provided you can demonstrate that you are making an effort as a country and as a Government.

Whereas I give my full support to the Resolution, in the interest of science, in the interest of learning, in the interest of demonstrating that Barbados, even in its most straitened economic circumstances, is still willing to make a contribution to learning and the development of mankind, I put in that plea for domestic physicians who are struggling day by day to help the ordinary people of Barbados.

Thank you for the latitude you have given me, Sir.

Mr. CHAIRMAN: And I would say that if we had a doctors' labour party in Barbados, the honourable Member would be its President.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, I think I must make some response to that, although it is a difficult business to respond to the people we have just heard.

12.50 p.m.

The reason why medical research, although I would have thought it was more preventive medicine carried out by people who were exercising the best knowledge at the time, was more popular 200 years ago than now — we have heard that. I thought we were talking about insect-borne diseases, but we have heard about leptospirosis, which — I am not a doctor — but I do not think it is insect borne. We have heard about poor doctors in Barbados who cannot get secretaries. The National Health Service will take care of that soon. Government will be providing physical assistance for these poor doctors who are suffering, and it will deal with all the points, because I really do not think it should go down on the record that the Government is not interested in local medical research.

In slave times, the honourable Member has correctly diagnosed that the purpose of medicine was to stop people being sick. Doctors made their money out of stopping people from feeling sick. In this day and age doctors make their money out of treating sick people, and therefore I wonder how far the spirit exists among local doctors to carry out individual research. Their incomes depend on finding coronary conditions and treating leptospirosis early.

I do not know, and I have never heard it suggested, that the relatively high quality of medical care available to slaves on plantations was based just on research. As far as I have always understood it, it was based on making sure that slaves had enough food, that they had airy conditions in which to live, that their feet were not wet and so on, and so forth.

In this day and age, Sir, it is the Government that has to worry about preventive medicine more than the physician who charges whatever it is, \$30, \$40, \$50, \$100, ...(Asides)..... The honourable Member for St. Michael South is saying \$500 for treating real or perceived ailments.

Leptospirosis — again I did not know that that was a tropical disease. I am glad for the information. I am of the impression that leptospirosis was carried by rats and that it exists in every country. I did not know that the honourable Member

Dr. R. C. HAYNES: On a point of elucidation, I never said it was a tropical disease. What I said is that the London School had the capacity to identify and actually developed techniques for identification of the prevalence of the disease.

In fact what we used to have to do was to send serum, the blood specimens, from Barbados to London — paired specimen, say, one one week, and two weeks later — and they would send back the appropriate results, what they called titres, and that kind of thing, but they had the basic immunological research facilities and the interest in this area to deal with it.

Rt. Hon. J. M. G. M. ADAMS: It would more seem to me that the difficulty with leptospirosis was that the Barbadian doctors did not recognise it, because it is not so unknown a disease as all that. The honourable Member forces me to expose, once again, my own knowledge of some of these matters. It is possible that the reason why Dr. Bayley, because I am familiar with the research to which the honourable Member refers, the reason why his research was not given its full weight is that he concentrated a great deal on demonstrating that the yellow fever epidemics, which used to wipe out the British soldiers that came to Barbados in the 18th Century,

were perhaps leptospirosis outbreaks rather than yellow fever, and that they were all classified as yellow fever, and that when you sent them up to Gun Hill and they not only recovered but did not infect others, it was not because you had moved them away from the pond that lay where Government Headquarters was, that had yellow fever mosquitoes, it was because you had moved them away from the rats that over-ran Bridgetown even in those days.

Dr. Donawa, I have often heard him talk about it, and since he is concentrating more on the incidence of leptospirosis in dogs rather than humans, again it is possible that the doctors in Barbados, it was not that they needed him to tell them, but he did not appear to be telling them anything about the incidence and mortality of leptospirosis in humans.

It may interest the honourable Member for St. Michael West, he was not in the House when I mentioned Eagle Hall, but I think it was Eagle Hall where Dr. Donawa discovered a pool of canine leptospirosis. I have never heard him suggest, in many talks that I have had with him about it, that Eagle Hall and Spooners Hill was a particular area where humans caught leptospirosis more than anywhere else. I may be wrong.

Dr. R. C. HAYNES: The point I was making is that in respect of leptospirosis in human beings, Dr. Bayley made a very important contribution, and in respect of leptospirosis in relation to dogs, Dr. Donawa made a very important contribution. So, both in the veterinary and medical fields, these contributions were made here and they are important contributions and should be recorded and recognised from time to time, and also the work of Dr. dos Santos. Forget me.

Rt. Hon. J. M. G. M. ADAMS: The point about all these things, apart from the little showing off of our knowledge on both sides of the House, the point the Government would really wish to make is that we should not allow it to be thought that the Government did not contribute and that no research is being done in Barbados on these matters.

The doctors in Barbados, the very bright, well qualified doctors, do tend to be making money. None of them has made enough money, I think, to have their own research institutes on any large scale, but they do make a sufficiency of money, and have the prospects of making more under our system, that there is no immense attraction to the idea of doing individual research, which is a very limited field that I would expect to find only in countries that measures the number of doctors by the thousand, not by one or two hundred.

But the University of the West Indies does have a department of veterinary parasitology, a department

which carries out a great deal of research into practical elements that affect man and affect animals. This is the West Indies, not just a Barbadian area of thrust in research. The University of the West Indies researches everything. It researches the properties of marijuana, it researches all the diseases that affect us both as a result of the climate and as a result of social, and perhaps, for all I know, even racial factors.

I would imagine that it is because of the work done by the research facilities at the University of the West Indies that the importance of diabetes as a disease which should be defended against in Barbados has come to be known. I am sure that the work done in researching into the diseases of children in the Caribbean is of major character.

Doctors at the University of the West Indies have received recognition from the Government of Barbados in respect not only of administrative but of research work which they have done. And I think that while we would be glad to support, if we could, efforts of individual research in Barbados, the main thrust of our research effort must come out of the very substantial sums of money which we contribute to the University of the West Indies and its individual branches.

If Barbados was a bigger country so that there were doctors with abundant money and leisure who did not need to work any more, who instead of going into politics perhaps would go into medical research and make a real contribution, the Government would be glad to help them, but we are not that sort of society, Mr. Chairman.

Dr. R. C. HAYNES: How much per year?

Rt. Hon. J. M. G. M. ADAMS: The honourable Member for St. Michael South Central asks how much per year. We are giving the Liverpool School \$5,000. We, in fact, only give the London School \$150 a year. 1.00 p.m.

So really, after the Government has paid CARDI \$6 000, PAHO \$67 000, and other institutions large sums of money, we do not have a lot. But if a need for the money, or if a purpose for spending the money, can be indicated, the Government will not refuse it. After all, the Selwyn Lloyd Chair is a new chair. We were written to from England, we were asked for the money and we gave \$5 000.

If a Barbadian doctor says he is doing research in such and such a country, there is no reason to believe that the Ministry of Health would refuse to entertain his application for a grant. There is no reason to believe that the Ministry of Health would refuse his application and

forward it to the Ministry of Finance for it to deny consideration.

Mr. Chairman, I beg to move that this Head stand part.

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

The question that the Head stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1982-83 NO. 3

HEAD 71 - PRIME MINISTER'S OFFICE

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, Sir, the Addendum illustrates what the money is needed for. We have to pay for a vehicle for CERO. It costs a little more than we thought.

I beg to move that the Head stand part, Sir.

Hon. L. S. CRAIG: I beg to second that, Sir, and reserve my right to speak.

Sir, at this point I would like to suspend.....(Sit down) let us go to lunch and come back. I reserve my right to speak, Sir.

On motion of Hon. L. S. CRAIG, seconded by Hon. DeL. O. BRADSHAW, Mr. CHAIRMAN reported progress to His Honour, the Speaker, and asked for leave to sit again, and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: I beg to move that this sitting be now suspended for lunch until 2.00 o'clock today.

Hon. DeL. O. BRADSHAW: I beg to second that.

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

On Resumption:

Mr. SPEAKER: This sitting is now resumed. When the suspension was taken, the House was in Committee. To that it now reverts.

Mr. SPEAKER left the Chair and the House went into Committee, Mr. ODLE in the Chair.

Mr. CHAIRMAN: The House is in Committee. The Honourable Member for St. Michael North West.

Mr. L. A. WEEKES: Mr. Chairman, speaking on Head 78, Subhead 6, Bridgetown Sewerage Project...

Mr. CHAIRMAN: I will put the question to Head 71 first. The question is that Head...

Mr. L. E. SANDIFORD: Mr. Chairman, the reason given for the supplementary is that the price of the vehicle has now increased and therefore the additional \$13 851 is now required.

I wonder if this Committee could be told why, in view of the fact that prices for vehicles were on the rise, was there the delay in ordering the vehicle as soon as possible after the Estimates were approved.

Mr. CHAIRMAN: The question is...

Mr. B. M. TAITT: Is there anybody there who can answer on CERO?

Mr. Chairman, if an honourable Member asks a question and receives no response, it does not make sense my asking a question merely to hear my own voice. If they are to function in the manner that we expect them to function in, they cannot go on like this.

I would like to ask a few questions concerning CERO. I believe that the CERO people are doing an excellent job. I believe that the attempts which they are making to reach the public for the purpose of hurricane preparedness are laudable.

I have a specific legal problem in that I do not know who is the director for my particular area, and it seems to me that that is one of the areas where the activity is not as, should we say, 'energetic' and some other areas, and indeed as the radio programme seems to suggest.

I would like to know from the Minister if he is able to tell me what is the procedure with, for example, the removal of overhanging things. In a substantial number of cases in the area where I operate, there are a number of trees which appear to be old, but in any case they seem to be dangerous from the point of a possible hurricane.
2.10 p.m.

I would like to know what is the procedure, for example, for a Member of Parliament who wishes to have that sort of work done, because attempts to have it done have seen a sort of going around the mulberry bush. The CERO people indicate that we should call the Ministry of Transport and Works. When we called the Ministry of Transport and Works and spoke to someone who is

designated or of whom it is said that is the person who deals with the removal of trees, we get no response after that.

I am not criticising, I am really seeking information, because the area I represent, and the surrounding areas — the CERO districts are not in any specific constituency — there are a number of very closely-packed houses. The streets or lanes are fairly narrow and if ever we should have a hurricane and there is blockage, the potential for danger is fairly high.

In the same vein, the whole question of drainage in the area of the canal, which divides St. Michael North West from St. Michael West, that passes through Bridge Gap, that canal apparently has not been cleared above the Black Rock area and comes all the way down from Fairfield I believe. It has not been cleared for some considerable time. I do not know if it has to do with the fact that the property is privately owned. I do not know what the policy is.

I would like to hear from the Minister what is the policy concerning the clearance of these kinds of canals with respect to the preparation for hurricane preparedness. I want to know if it is CERO's responsibility, or if it is being seen as a ministerial responsibility, or as CERO refers to the Ministry, who then has the responsibility?

Mr. Chairman, it would be helpful if the Minister could indicate to the House and thereby to the public the best way of getting some of the debris and some of the clogged areas cleared up.

I think it would be undesirable — it is undesirable — for the CERO people to be doing the kind of publicity they are doing about hurricane preparedness and hurricane watch, and then in a number of relatively minor areas of preparation seem to have bottlenecks which could result in loss of life in the unfortunate event of a hurricane.

I would like to hear from the appropriate Minister — I am not sure which one it is — what are the steps that can be taken.

Thank you, Mr. Chairman.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, I can talk of trees that constitute hazards to adjacent properties and drainage in general terms. I cannot discuss these questions within the context of CERO's operation, although I believe that that organization maintains a co-ordinated mechanism with the Ministry of Transport and Works in which contingency plans are formulated for emergencies of the kind mentioned by the honourable Member for St. Michael West.

The Ministry of Transport and Works has a policy of responding to any request for assistance made in the normal course of its duties for the removal of trees and other obstacles and objects on or near property that constitutes a hazard to the residents thereon.

Insofar as drainage is concerned, this is a perennial problem which is increasing in seriousness because of the cavalier manner in which plans for the construction for new housing developments, and construction, period, have been approved over the years. We have found that many natural water courses have been obstructed, and after a reasonably heavy downpour of rain in many areas, states of emergency exist from the view that it is necessary to carry out urgent remedial action to prevent loss of property, loss of life and threats to the limbs of individuals.

I do not know the particular drain that the honourable Member for St. Michael West has referred to. But if, as he has implied, this drain is used on private property, then the responsibility for cleaning it will be the responsibility of the owners of the property.

But, over and above that, there is a particular problem with respect to drainage in Barbados, and some confusion as to which authority is the proper authority for the cleaning of gutters.

We have found that clogged gutters and clogged drains are very often the source of flooding in many areas of Barbados, and we are in the process of trying to demarcate between the Ministry of Health and the Ministry of Transport and Works with respect to the cleaning of gutters and drains. We know that drains outside of the metropolitan areas are the responsibility of the Ministry of Works and our weeding programme is designed to ensure the free flow of waters in these canals which would alleviate the problem of flooding.

Mr. Chairman, I can only talk of drainage and threats posed by trees to properties in general terms insofar as they relate to the Ministry of Transport and Works. But I would imagine that in the event of an emergency, since coordinated action is expected by virtue of the fact that women free of transport have officials on the Executive Committee of CERO, that the Ministry will be passed into service in such emergencies to rectify the problem.

Mr. B. M. TAITT: To further elucidate the point he is trying to make, I take his point that his Ministry does not have the responsibility outside of the metropolitan area. What I am trying to get at, Mr. Chairman, is this. As I understand it CERO is the co-ordinated agency for hurricane preparedness. This drain which crosses from St. Michael West Central into St. Michael West and North West is a drain which has its

origin in Fairfield Cross Road, and it runs straight through the lands near Eckstein Village, at the bottom of Eckstein crosses the Black Rock road and goes into Bridge Gap and goes down to the sea.
2.20 p.m.

It forms a natural division between St. Michael West and St. Michael North West beyond the Black Rock road. It has large outcroppings of fauna, flora and all the other things you can imagine, bits and pieces of garbage no doubt.

In spite of the fact that it may be on private property, what I wish to know is this, is CERO able to command the clearing of that drain in preparation for the hurricane season, even if the Government has to subsequently charge the land owners for clearing that particular gully?

It seems to me that this question is important in terms of the amount of flooding which will occur if and when we have a hurricane. It is one that has been there for a fairly long time, and wherever one asks a question one does not seem to be able to get any specific answer as to what can be done. Perhaps after the hurricane you will know who is the agency to move the bodies or whatever, but it would be useful if CERO or some other agency had the responsibility for making the preparations in this area.

I have taken that as an example, but there are other areas which have a similar potential. I am just wondering if the Minister is able to say whether CERO has this authority or whether it is unknown.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, CERO has overall responsibility for making contingency plans to minimise the effect of hurricanes or other acts of God, but while CERO has responsibility for dealing with the consequences of acts of God, the acts of CERO cannot be equated with the acts of God, because the Executive Committee of CERO consists of people who are not omniscient, and where hazards or potential hazards exist, the people who are responsible for co-ordinating the activities to minimise suffering must be made aware of the hazards. I think that if people are not aware of potential hazards in the event of hurricanes or other acts of God, there is very little they can do to take preventive action.

I am sure that if the honourable Member for St. Michael West brought the potential hazard that he identified, to the attention of CERO that the necessary plans would be formulated to minimise the suffering and loss that might be caused in the event of a hurricane.

Hon. L. S. CRAIG: Sir, I have no doubt that my colleague, the Minister of Transport and Works, has shed

as much light as he could on what the Member for St. Michael West has been asking. I am quite sure that if he were to drive along Bridge Road, for example, he would observe that Government has even taken steps to start to clear that area — I think it is called "Condemned Gully" — coming right through under Bridge Road, so as to prevent whatever flooding might take place.

I do not think that unless Members on both sides draw these things to the attention of the Minister or Ministers responsible, that these things can be done.

I recall that several years ago as soon as the rain started to fall in St. Thomas, the whole of Hometown, St. James used to be flooded out. They had to tap the waters higher up. This was only done in 1976 after my colleague, the then Minister of Communications and Works, had sunk some wells higher up so as to trap the water. These are a number of things we could look into.

I have no doubt in my mind that CERO is doing a very outstanding job. Whenever the occasion arises, they rise to their task manfully, and I think we can only salute them. I do not think you are critical of them either, you are just seeking the necessary information.

With regard to the reason why the truck costs more money, an approximate price was given by Detco Motors. It is apparently not just an ordinary truck, it is a truck which had to be fitted specifically for this type of job. I think it had to be fitted with such things as "boat slings".

What that means I, myself, do not know, but I imagine it is to help lift boats from out of the water in a hurricane on to a safe place on the land. For example, at Tent Bay in St. Joseph where there is always a problem with having these boats taken out of the water during rough seas when there is bad weather, I believe that is done there as well.

Because of that there was an excess of \$10 000 over what they had given us as an estimate. That made the price \$130 000 and the \$13 000 is made up of things like \$2.00 for number plates and all of these miscellaneous items, and the \$10 000 in excess of the approximate price which was given. The other things were items like weight certificate, mark board, number plates and what they call preparations at the garage for the truck. That is why we are seeking this \$13 000 to supplement the Item.

I hope that answers the questions of honourable Members on the other side.

The question that Head 71 stand part was put and resolved in the affirmative without division.

HEAD 78 — MINISTRY OF HEALTH — BRIDGE-TOWN SEWERAGE PROJECT

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, this is a request for the sum of \$22 725 to supplement Subhead 6 under Head 78.

It arose out of the fact that work completed with respect to the laying of sewage pipes some time around the end of last year was found to be defective at a time when it was not possible to accommodate the cost of the additional repairs required in the Estimates.

The services of a Resident Consultant Engineer, which were necessitated in order to execute the appropriate corrective action, had to be extended beyond the period of May 1 when it was thought that there would be no further need for such services within the Sewerage Project.

So the sum requested of this Honourable House, Mr. Chairman, is exclusively devoted to the covering of personal and other incidental expenses. The sum of \$18 000 is sought for Other Personal Emoluments, \$3 600 for National Insurance Contributions, \$500 for Health Service Contributions and \$625 for the Transport Levy.

2.30 p.m.

I think it is a fairly simple request, and I beg to move that Head 78 — Ministry of Health — stand part of the Schedule.

Mr. L. L. SISNETT: I beg to second that.

Mr. L. A. WEEKES: Mr. Chairman, I believe a project of this type of expenditure would require a certain amount of monitoring from time to time. In March, when we were discussing this Head, there was very little debate on it, and actually there was only a token vote.

The Resolution before us suggests that there was \$40 000 and a supplementary for \$18 000. I am not really aware of the original amount, but I suppose the Minister could probably enlighten me as to the fact that at the time of the Estimates only a small amount of \$300 was allotted.

Mr. Chairman, I believe that as far back as last year much assurance was given that the Sewerage Project would be fully operational and one would expect to be able to report considerable progress at this time. The Addendum anyhow suggested that with considerable difficulty experienced with the contractors, this delay was carried on until June.

This is the second time that I am likely to raise this question about the taxpayers having to foot bills or ex-

penditure that one feels ought not to be the responsibility of the Government. Inasmuch as the Minister has been able to give me some enlightenment on the matter, I hope that this possibly would be the last call for these supplementaries in respect of this project.

I wonder if the Minister could indicate any progress in respect of installations, because, Sir, the finance involved in this project suggests that competence and good management be carried out, because this project is also wrapped up with the increase in water rates, and one would like to feel that every effort is being made to make those people who are eligible for connections get them within their own finances.

It would seem to me from the present arrangements with the Sewerage Project that the possible residences and commercial houses as well may find some difficulty in providing the necessary finance and probable expertise. I think in the application itself you are forced to give some kind of drawing of your property and I think this would probably entail some further expense.

The other question I want to raise is that at the time when we were discussing the Head itself during the Estimates, it was probably not in this Chamber but otherwise suggested that the Water Authority would have been the sole body responsible for this project. I wonder if the Minister can give us some reason why this has not been done at the present moment, and I assure him we would be very glad for that.

I also hope that the difficulties encountered with the pipelines may not incur any further hazard, because it is possible that if there is any difficulty, let us say even if the pipelines themselves are not adequate to carry the total amount of sewage that is projected, one could probably expect the kind of health hazards that are likely to occur.

Mr. Chairman, I believe those are the few points I wanted to raise in respect of this matter.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, the honourable Member for St. Michael North West made his points in a very succinct way and put his finger on some of the problems that are of some concern to us in Government with respect to the functioning of the Sewerage Plant.

The expenses incurred in the remedial work that I alluded to in my introductory comments really deal with a problem that not even the most perspicacious of man born of woman could have foreseen.

I think that there is a distinction between poor planning and the consequences of incurred expenses that

flow from poor planning and the normal incidence of human frailty, and there was nobody administering the Sewerage Project who could have foreseen the development of these technical difficulties. So I believe in this respect, Mr. Chairman, that the administrators of the Sewerage Project stand absolved from any accusations of incompetence which there may be a temptation to level at them.

The second question relates to the transfer of the operation of the sewage plant from the Sewerage Project to the Water Authority. Since much emphasis has been placed by the Opposition, and properly so, in these debates upon planning, those of us concerned with the Water Authority were extremely circumspect about any abrupt transfer of responsibility of the operation from the Sewerage Project to the Water Authority, more particularly because there was no one within the Water Authority with the experience, or as the honourable Member for St. Michael West might say, the expertise, in operating a sewage plant.

It was felt therefore that since the administrators of the Sewerage Project themselves had no particular skills in this particular area, but were intimately associated with the plant coming into operation, it was best for them to maintain administrative control during a transitional period in which two officers would receive special training overseas in the operation of such a plant. These people have now returned, they have now settled into their jobs, and we hope that the transfer will be properly and smoothly effected around October 15.

In so far as the other question is concerned relating to connections, I have to point out that to date there are only about four connections which have been made.
2.40 p.m.

The time taken is due entirely to the fact that applicants are required to submit fairly detailed plans before the connections are made and many persons who have applied have been tardy in the submission of these plans. I have been advised by the administrators of the plan that within another two weeks about another 10 connections or so will be made.

I believe those are the substantive questions which were raised by the honourable Member for St. Michael North West.

Mr. B. M. TAITT: Mr. Chairman, I am very grateful to the Minister for replying to my colleague's question and I would like to ask a couple of questions arising out of them.

It would seem to me that since the Government has come up with a plan, which has been mooted in the Press, for assisting those who might be indigent or

indigent to attach their properties to the Sewerage Project, it would seem to me, in the light of the information which the Minister has just given, that fairly detailed plans have to be submitted and that any assistance which is being offered to such persons would have to be accompanied by assistance in the preparation of such plans.

I dare suppose that those persons who are going to be assisted will have to wait until the commercial people have attached themselves in some substantial numbers before you can get to the others. But I would think that as soon as it is possible — (Mr. Chairman, make them come in and form a quorum) — I would think that the sooner those who are going to be attached under that scheme are completed, the better it would be because the more attachments are made the sooner we will know if the scheme is really going to function.

Unfortunately the Prime Minister was in euphoria when he was called upon to deliver the feature address, as it is called, and he got somewhat carried away and seemed to suggest that the residents of Emmerton Lane would somehow have custody and responsibility for seeing that the building for the Sewerage Plant be kept in tact.

I think it is well-known if, for example, the streets of Port-of-Spain are any example, or indeed many of the streets in North America, that sewage pipes and sewage plants have a tendency to be a continual problem.

The other thing, Mr. Chairman, is that I think that lest the exuberance of the political directorate contributes to the misunderstanding of the scheme which they have designed, they had better outline the parameters as soon as possible — if I were speaking to another Minister, I could not speak in those terms, of course — the parameters within which such a system could be rendered.

As I understand it, it is going to be extremely costly to provide assistance for the connections on a house by house basis, and therefore the criteria to be used for the selection of those who will get assistance ought to be well-known to all and sundry, so that at no time in the future can there be a feeling that the decision to assist or not to assist was in anyway tied up with the known or believed political allegiance of the particular householder. I think that it is very important that we get the criteria up front so that all of us can know what the criteria are.

The second question I want to raise.... One, two, three, four, five, six, seven — Mr. Chairman, I feel bound to draw to your attention that there is no quorum.

Mr. CHAIRMAN: I am advised that there is no quorum. Let the bell be rung.

The bell was rung.

Mr. B. M. TAITT: Mr. Chairman, the next point I want to raise, Sir, I am not sure if the Minister is in position to answer, at least if that particular Minister would wish to answer, but you would recall, Mr. Chairman, that for some considerable time since the Sewerage Project has been in process the question as to the mismanagement concerning the River Road fiasco, that question is one which has been raised time and time again.

On the last occasion when the question was raised, we were given the assurance that the matter was being negotiated. We were told and we hear some fairly fiery words that the Government would not pay a single cent to the Contractors because the Contractors had failed to follow the advice of the Government or some such phraseology. (Asides). The advise of the Government Engineer.

We on our side contended in the session before the last that it was the pig-headedness of the then Minister of Health in failing to accept advice which we had given her, and which she had been given from other independent sources, not to put the treatment plant or the sub plant where it was being put. They pressed ahead notwithstanding.

You will recall, Sir, that unfortunately one man lost his life during that fiasco. What I wish to ask the Minister is this, has that matter been resolved? If it has been resolved, how has it been resolved. If it has not been resolved, has the Government decided to pay the contractors the amounts they were requesting or is the matter still under discussion? Has it gone to arbitration?

I believe that the citizens of Barbados who are paying for this project have a right to know what is the final outcome of that particular difficulty in River Road, and I do not believe that until that information is given people will be satisfied that the Sewerage Project is complete.

I do not think that I need to stress anymore. I simply ask what is the status of that particular problem at this point.

Hon. L. S. CRAIG: Sir, I do not know if I am correct in saying that I understand the Member for St. Michael West is seeking to find out if the matter with the man who unfortunately lost his life in the sewerage plant in Fairchild Street has been resolved?

Mr. B. M. TAITT: You will recall that there was some difficulty with the contractors. The first site that

was being used in River Road for the construction of the sub-station collapsed. There was a dispute between the contractors and the Government. We were told in the House that the matter was receiving attention, but since then I do not believe that we have received any information as to whether that matter was settled or not.

They have subsequently built a sub-station at the new location on River Road, and I believed at some additional cost for which we voted money, but we were told at that time that the matter had gone to arbitration, or was being negotiated.

We had a fairly firm commitment that it was not the Government's intention to pay, because the Government did not feel they were liable to pay. We are trying to find out what is the outcome of that. The mention of the man's death was merely descriptive as a part of the fiasco of the first site.

2.50 p.m.

Hon. L. S. CRAIG: Believe me, Sir, it is not the type of question that I am in a position to answer. I have no doubt you know how the legal boys operate anyhow. That is the first thing I am telling you. Inasmuch as I would like to see a matter like that settled immediately, because the only person who suffers eventually is the bread winner of the deceased family. I am in no position at this point to say that it has been settled, but I will try my very best to get the information for you.

It would be a nice thing, believe me, if you could alert us about some of these questions which you have to ask, because that is really an 'out-of-the-way' question. Just a minute please.

Mr. B. M. TAITT rises.

Mr. B. M. TAITT: You continue to misunderstand the question that I am asking.

Hon. L. S. CRAIG: I understand the question quite well, and I have given the assurance that I will seek the information for you later in the day or sometime during the sitting. But I must confess it is one of these questions that we do not really expect to come up. That is the assurance I want to give to the Committee, that I will seek out the information for you and give it to you either privately or on the Floor of the House.

Mr. B. M. TAITT: Mr. Chairman, notwithstanding what the Minister is committing, on the occasion where we raised the question, not of the man's death, but of the change of site arising from the collapse of the first site, if I am correct it was the Prime Minister himself, as Minister of Finance, who alluded to negotiations between the contractor and the Government. And the Prime Minister is in his place.

Since the Minister responded in the context of the man who had lost his life — I accept that he is not in a position to answer that — I am trying to find out in the matter concerning the contract for the building and completion of the Sewerage Project, in which the price was extended, or there was argument on the price arising out of the River Road problem, I am trying to find out if that has been solved as yet.

Hon. L. S. CRAIG: Sir, let me assure my colleague again that I will try to get this information for him during the course of the day. It is still under consideration.

Dr. R. C. HAYNES: Mr. Chairman, we are being asked today to vote additional sums in respect of the Sewerage Treatment plant.

Now, Sir, not so long ago the former Minister of Health, who is now the Minister of Education, the honourable Member for the City of Bridgetown, assured this Honourable House, with the concurrence of the Minister of Finance, that the one capital project in Barbados in which there would be no cost overruns was the Bridgetown Sewerage Project.

In fact, I recall the Minister of Finance saying that if you were a bank or any international organization who came to this country, the one thing in Government's administration they would point their finger at, and he actually put his finger down on the desk, would be the \$70 million dollars to the Transport Board.

I am saying now that the Government stands condemned by an international organization listing the Bridgetown Sewerage Plant as one of the projects identified by an international body, namely by the World Bank, where there have been substantial cost overruns. (Sir, I am not quoting a document; I am just looking down as I put my finger down.) That is one of the two projects identified.

Rt. Hon. J. M. G. M. ADAMS: On a point of order. The honourable Member is not misquoting the World Bank; he is misquoting the Minister. I have never heard any Minister say and he should bring the *Gazette* to prove it, if he alleges otherwise — that there was no cost overrun at the Sewerage Plant.

Dr. R. C. HAYNES: Sir, my recollection here is that the Deputy Prime Minister was so embarrassed that he later on came in here and put up a special distinction between cost overrun and revised cost, later in the afternoon, and I am saying that in the World Bank document, 1982, a finger has been pointed at that particular project as having significant cost overruns.

Now, Sir, why do I say this? We are coming here for more money. This is really not an academic matter,

Sir, because one of the biggest problems facing the people of Barbados today is that they cannot pay high water rates, and the high water rates, Sir, are related to the cost of this project. The water rates have been increased in relation to the overruns of the cost of the project.....

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I do not want to intervene, but we are having statement after statement, it appears, not bearing any relation to fact. The water rates are related to making the supply of the service self-sustaining. The capital cost of the Sewerage Plant was never required to be taken into account in fixing the water rates. The honourable Member only has to ask the honourable Member for St. Michael South. I would never dream of putting that on the honourable Member for St. Michael South.

The World Bank suggested that the water rates should be raised more, if I remember. But we have not accepted that argument any more than some of the other arguments which may have been put forward. The agreement with the water rates to pay your recurrent charge, not repay the capital.

Dr. R. C. HAYNES: I am very glad, Sir, to hear for the first time that statement, which is correct as being part of the agreement. On all previous occasions between 1975 or early 1976 and today, the honourable Minister has been making a blanket statement trying to point a finger at the Member for St. Michael South, saying that it was his agreement, that the agreement that he entered into, that resulted in an increase in water rates. Then, later, of course, he back-tracked and said that electricity was the major cost and that the increases are really due from the electricity.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, on a point of order. We cannot go on with these half truths. He agreed that, in consideration of being lent the money to put in the Sewerage Plant, the government would within seven years make the water rates enough to cover the current cost of water and sewerage. I have always said that, and I still say it. It is in the agreement. It could easily be read out. I am not reneging from it in any way. I have never said that the cost of the Sewerage Plant is a factor that should be taken into account, nor have I ever suggested that there was any non run, overrun or whatever. Of course, there was an overrun at the Sewerage Scheme.

Dr. R. C. HAYNES: I think, having gotten those two points clear, there is one third point that I would like to raise; whether or not there is any fundamental structural and engineering problems in relation to the Bridgetown Sewerage System. Now I do not know; it is a question which I am asking, because I believe that an answer coming from the Floor of this House would do much for the society at large.

The other problem, Sir, and a final problem, is going to be finance — whether, as my distinguished colleague has pointed out, any progress has been made in the scheme to connect interested persons.
3.00 p.m.

I do not know what it is going to cost or how it is going to be financed, but I know that there are a lot of people who would be eligible for connection in that scheme, who are not indigent, and who will not be able to pay the cost of connections. I will go further and say, that there are many business houses whose financial position is so precarious at the present moment — encountering serious problems in sales, overdraft facilities, high interest rates — that they would have difficulty in finding the money to pay for that connection.

You know, Sir, how difficult it is to find the extra hundred dollars for essential items, and, Sir, I regard you as among the higher income earners in this country, and the majority of people who are eligible for connection to that sewerage project are people in the lower and middle income groups, so that, as I warned a long, long, long time ago, when you plan certain types of capital projects, you have to plan for the recurrent costs that might be involved.

I rather suspect that Government might find themselves in a position, if they are going to get a large volume of people connected to that sewerage system, that they are going to have to find some kind of financing arrangements to assist them. Not only the individual, not only what people commonly refer to as the working classes in Barbados, but there are many middle class people who are going to find it difficult to find the few extra dollars to spend for connection to the sewerage system, when they might have other means of disposal already in place in their homes.

To find those extra dollars nowadays is a difficult, difficult business, and I think that the Government might find itself running into problems in getting the project moving on.

I would like to hear any plans that they might have to relieve the burden on the community as a whole in terms of connections, because as the honourable Minister of Finance has pointed out, they will be paying more water rates. In fact he has already made the budgetary arrangement for the water rates to go up next year. He has already taken care of that, Sir.

So what may appear to be a simple Resolution, introduced honestly, but in innocence, in fact conceals a series of problems which the Government will have to cope with between now and when next a budget is presented to this Honourable House. I hope that it would be

possible to shed some light on these kinds of problems, and in particular where there is evidence of any kind of any serious structural engineering problems of a permanent nature which may involve major remedial cost either in the short or medium term.

Thank you very much, Mr. Chairman.

Hon. L. S. CRAIG rose.

Mr. CHAIRMAN: Is the honourable Minister winding up?

Hon. L. S. CRAIG: Winding up, Sir? I have been listening to the Member for St. Michael South Central for about two to three years on nearly every conceivable subject in this House. He has got information — probably it is being conveyed now — that something is wrong with the Sewerage Plant. Now, that is how he is getting it across, something is wrong with the Sewerage Plant, there is a suspicion from his information, so he is asking a question early.

Dr. R. C. HAYNES: On a point of order, Sir. We are coming to the House for money and I am simply asking a question. There is no question of suspicion; nothing of the kind, it is a straightforward question. It is as simple as all that.

Hon. L. S. CRAIG: You would be a glorified clown if you would get up and ask a question of that nature.

Certain remarks made by Hon. L. S. CRAIG were ordered to be struck from the record by Mr. CHAIRMAN.

Hon. L. S. CRAIG: He is inquisitive with distortion and distorts things all the time.

Dr. R. C. HAYNES: On a point of order, Sir. There is a presumption of honourable behaviour on the part of each Member, a situation claimed at the beginning of each Parliament for the most positive construction, and honourable construction, for any words uttered by any honourable Member.

I am submitting to you, Sir, that within the context of the Rules of this House, and the Mother Parliament from which we derived our conventions, that the word "distortion" is also unparliamentary, because it is in breach of the basic privileges claimed for Members of Parliament by His Honour the Speaker at the beginning of each Session of Parliament.

Mr. CHAIRMAN: Just let me consult with Mr. Clerk.
3.10 p.m.

Mr. CHAIRMAN: I will ask the honourable Member for St. James North to withdraw the remarks.

Hon. L. S. CRAIG: I beg to withdraw. He is a man with an enquiring mind who, out of ignorance, distorts the information he receives. Now, Sir, by innuendo here this afternoon, he is conveying to this Committee that there is something structurally wrong with the Sewerage Plant.

Dr. R. C. HAYNES: On a point of order, Mr. Chairman, when you ask a question, you cannot ask a question and then instead of the question being answered "yes" or "no" he says that to ask that question constitutes an innuendo. How could the asking of a question constitute an innuendo?

Hon. L. S. CRAIG: You used to get on platforms and ask people if they heard who killed Pele though.

Mr. CHAIRMAN: Order! The honourable Member for St. Michael South Central in his remark in the course of his speech did give the impression that there was something structurally wrong with the new Sewerage Plant, and I believe the interpretation by the honourable Member for St. James North is fair and correct.

Hon. L. S. CRAIG: Out of ignorance, I say, he distorts things. That is his problem.

Now, Sir, since this Government came to power in 1976, I cannot recall any single thing where planning is involved for the well being of this country with matters relating to finance or capital projects that we were right in doing. Everything is wrong.

I want to say this to you if you do not know. We are fortunate, not this party or that party, but the people in Barbados are fortunate to have some of the finest brains in the Ministry of Finance and Planning advising the Prime Minister, and I would rather err with them than to err with the nonsense you walk about talking all the time and then cannot back up what you are saying — income tax is too high; there should be some structure as far as you are concerned. Land tax is too high. Road tax for vehicles is too high.

Now I want you to tell me, after saying all these things, how we should go about it. I want you to explain to me if we should go out in the road and say "abracadabra" and some money falls down so that you can pay the nurses at the hospital, so that you can pay the police, so that you can repair the roads, so that you can give the old age pensioners money and so that you can provide street lighting for them.

I want to know exactly where the Government is to get the money from, because everything is wrong. Every single matter dealing with finance or planning by this Government is wrong for you, a man who has no knowledge and has never been trained as an economist. This brings me to a point that I have to start and disrespect the real economists, because you have the answers to all of these things. You have the answer to every thing in this country.

I believe if you were living in Israel, or the Middle East, there would be no war in the Middle East. If you were in Washington during the Nixon episode, there would be no Watergate case. If you were in Jamaica the country would never have been run down, or in Guyana. Compton, Josie, Charles and those boys would not have had problems in St. Lucia, nor would Dr. Williams have died in Trinidad. You have the answer to every single thing.

Now heré is a simple Resolution this evening and we are saddled again with the nonsense that we repeatedly hear from the honourable Member for St. Michael South Central where the entire world, not Barbados, is going through an international recession. Japan today is now cutting back on their social services to protect themselves. Look at Mexico. I read today of 3.4 million people in unemployment in England with all its resources. In the United States, with their natural resources, the situation is the same, and in the very World Bank Report you have before you now, you can read quite clearly that it says we have no natural resources in Barbados, and we should be saluted for the way we have conducted ourselves in the management of the country.

All over the world there are financial problems. In Guyana a tin of Ovaltine costs \$60; a pound of flour if you can get it, costs \$5.00, but in Barbados there should be no taxes, the Civil Service should get all the money, we should not go to the IMF, as you say we are doing, but you should give the Civil Servants more money.

The unions agree — do you see how many clowns there are in this world? — the unions and the experts sat down and said to the Prime Minister that they are going to agree to so and so, experts in their own field, but we have these clowns that walk about like a half-baked duck projecting themselves as overnight economists saying how much money the Government should give to the union when the unions say they are going to hold on for the time being.

Every time you see a way of trying to pull down the country, and you are doing this country no good with your nonsense. I go to the United States and Canada and hear them talking about you. They do not respect you politically.

You have a local like Tom Clarke writing and picking a team. Now you know that the Prime Minister has not called an election yet, and Tom Clarke, a man who has never worked — work is not his religion at all... you know Tom Clarke is a local, I know him better than you — is already picking a team for 1986.

He knows who is the Prime Minister and that is the nonsense that they put in your head. That is the sort of jazz you get all the time, repeatedly, and not one single idea comes from them as to how it should be done. They are pulling their country down, but nowhere are they saying how it should be done and why it should be done, and you have the best brains, with the years of experience, in a man like Steve Emptage, a man with years of experience advising the former Administration.....

Mr. CHAIRMAN: On the Sewerage Project?

Hon. L. S. CRAIG: This is a resolution dealing with money, and I can talk about the Governor-General and money, because it is a money Resolution. That is what I am dealing with, not the sewage project. I can talk about the hospital, money to get rid of the rats, so long as it is money from the Consolidated Fund; so you are not telling anybody to stick to anything.

Mr. CHAIRMAN: But still let us not travel too widely.

Hon. L. S. CRAIG: I will travel widely once we are dealing with the Resolution, Sir, widely and wild, because we are dealing with the taxpayers' money.

Now, Sir, this is what you are getting repeatedly. Every Tuesday, to the disgust of many of his colleagues on the other side — because I talk with them; they do telephone me and talk to me all the time — to the disgust of many of his colleagues on the other side everything that you have to deal with — it is the Central Bank, and the latest thing now is offshore banking — you have to find something to whip all the time, with not one single suggestion coming forward from you as to why and how it should be corrected.

There is not a single suggestion, and I am really sick and tired of the nonsense I hear coming from my colleague and friend over the years in here, from the time he is put down as Shadow Minister of Finance.

I wonder if he heard the Shadow Minister of Agriculture on that side? The Shadow Minister of Agriculture made it very clear he did not intend getting into the debate on agriculture. He has a little more intelligence, but the honourable Member for St. Michael South Central on anything to do with finance is wrong and strong, and

now he is back to the wall, he comes up with this idea of, "I told you so."

3.20 p.m.

But told you what? Never has he put forward one suggestion as how to use corrective measures. All the time, Mr. Chairman, it is pull down, pull down, pull down, pulling down your country. You are not doing your country any good man. I am really sick and tired of hearing you all the time.

The specialists, the economists, just met in Toronto and cannot come up with a just reason as how to solve the world, not Barbados, the world economic problems. I was talking to one of them on one occasion, an economist, and you know what he said to me? I think he must have been joking. He said, "The only thing that could save the world again is another World War, but it has to be fought conventionally." That is what he said to me, that small countries must fight for the big ones to survive. And he went on to draw to my attention the depression of 1929, I think it was, 1929-32, and how the world came out of economic problems between 1945 and up to 1972 or 1974 when you had the problems with the oil. That is what an economist told me. I thought he was mad when he said that.

He made reference to the Biafran War, the Korean War and the Vietnamese War. He said that major powers in the world must keep small countries fighting for the survival of the entire world. Well, I do not want to be in that, Sir, but the specialists in their own field cannot come up with a single answer about how to bring the entire world out of this deep economic grip that we are in.

We in Barbados, 250 000 people; our money isn't even recognised. If you carry a Barbados dollar to a shop in Trinidad, further more in the United States of America, the first thing they ask you is, "What sort of money is this?". That is the sort of thing you have, and you have these problems repeatedly, repeatedly, Sir, of people trying to pull down your country.....

Dr. R. C. HAYNES: On a point of order, I want to draw to your attention to the fact that there is no quorum in the House.

Mr. CHAIRMAN: Let the bell be rung.

The Bell was rung.

Mr. CHAIRMAN: The question is that Head 78 stand part.....The honourable Minister wants to wind up.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, I think it is necessary for me to make a couple of points, very briefly.

With respect to funds voted by this Honourable House for assisting indigent persons with connection to the sewage systems, at present the Water Authority is formulating plans and principles with respect to how this money should be distributed. These principles and conditions for receiving assistance would be subject to the approval of the Minister and the House can have my assurance that the principles of equity and fair play will suffuse the spirit of these regulations.

In so far as the other point made by the honourable Member for St. Michael South Central is concerned, I am not aware of any major or structural defect within the sewerage system at the present time. He did indicate that this Resolution was being presented in innocence, which seems to suggest that the figure of \$22 725 requested somehow masks some bigger financial liability with which the taxpayers will be saddled in the future.

It is only necessary to repeat in answering this claim that this sum of money relates to defects in workmanship that took place during the construction of the plant.

He then went on to indicate that a wise Government would be prepared to deal with the cost of operating and keeping the equipment in ship shape.

I believe that, stripped of a veneer of profundity, the observation is really an extremely banal one, because all that it says is that there will be maintenance costs and that at some time or the other, the pipes in the sewerage system will need to be repaired.

I believe that this is a matter of commonsense. Anybody who knows anything about any water-borne system, including our water supply system, would recognise that maintenance and repairs are ongoing problems in any mechanical system.

I believe that is the kind of gratuitous advice which constitutes an insult, really, to the kind of people who have been planning a water system.

If one has a vehicle, one has to expect that the vehicle at some time in the future needs repairs. Shoes need repairs. Clothes need repairs. Why not the Sewerage system? And I must emphasise that really the advice, stripped of its rhetorical decorations, is extremely simplistic.

The Water Authority is preparing to ensure that the people of this country have a sewerage system which is as efficient as the water supply system in this country. It is well known that the water supply system in Barbados is about the best that exists anywhere in the developing world, and the traditions that have been practised within the Waterworks Department and its successor, the Water

Authority, will be applied to the sewerage system when that operation comes under the jurisdiction of the Authority.

There is absolutely no reason to be alarmists and to prophesy a widespread breakdown of a system, because the system will be operated by the same hands that have historically made the water system of Barbados the envy of water systems within the developing world.

Thank you.

The question that Head 78 stand part was put and resolved in the affirmative without division.

3.30 p.m.

On the motion of Hon. L. S. CRAIG, seconded by Mr. L. L. SISNETT, Mr. CHAIRMAN reported the passing of two Resolutions in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. S. CRAIG, seconded by Mr. L. L. SISNETT, the Resolutions were read a first and second time and agreed to.

Hon. L. S. CRAIG: Sir, there was an item which was yesterday postponed for further consideration. I would now like to revert to that particular item, Mr. Speaker, — Order No. 6. It was postponed for further consideration. I am just bringing you up-to-date to let you know, Sir. Order No. 6 was postponed for further consideration. At the time, Sir, when it was postponed, we were at Clause 7. I am just trying to explain to you, Mr. Speaker, and the House what had transpired yesterday.

RESUMPTION OF DEBATE ON BILL TO SUPPORT PRICE OF SUGAR

Order No. 6 was called — To move the Second Reading of a Bill to provide for the establishment of a fund to support the price of sugar and for related matters.

On the motion of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair and the House resumed consideration of the Bill, Mr. ODLE in the Chair.

Clause 7 was called.

Rt. Hon. J. M. G. M. ADAMS: I would beg to move the amendment which has been circulated, that we delete Sub clause 1 of Clause 7 and substitute the following therefor.

“(1) Subject to any general direction which the Minister of Finance may at any time give regarding its administration the Fund that shall be under the management of the Barbados Sugar

Factories Limited and shall be applied in accordance with subsection 2.”

Mr. B. M. TAITT: Mr. Chairman, Sir, we do not propose to detain the House on this matter. Last night when we spoke on this matter, we indicated that we were not happy at the prospect of a private company, Sugar Factories Limited, having control in the context of the original Clause 7. The Government indicated that it would seek to accommodate the views that we had expressed. I draw it to your attention that we had suggested that it would have been preferable, given that this is an innovative approach which the government was trying, to have an authority that would be responsible for the control of the fund.

I believe that a genuine attempt was made to meet the point, but I have some reservations, and I think we all share them on this side, as to whether the clause in its present form is capable, if tested of weathering a legal challenge. You see, what this will do now, is to give the Minister of Finance a power to direct a specific corporation. I do not believe that that is likely to survive a challenge. The Minister may give specific directions in relation to any law concerning the generality of the community, but where the Minister would be given a power to direct a specific corporation to do a particular thing — I am not dealing with that Minister and this particular corporation — I am dealing with the principle — I have some doubt as to whether it would survive.

3.40 p.m.

I take the point that a genuine attempt was made in the time available. It is clear that the Government wishes to get on with its work, and while the Opposition will not vote against the clause, as we would have last night, we would feel bound to abstain. In a show of good faith we will not vote against the clause, we think the Government ought to get the opportunity to try its approach, but we would wish to abstain on this one. I do not think any further debate will carry us anywhere, so I thought we should explain our position.

Hon. L. S. CRAIG: Sir, I just want to see if I can get it clear in the back of my mind what my colleagues on the other side are complaining about. As I understand it, they would like to have people with some expertise. On one occasion I heard mention made of the Union and the Central Bank; I am just calling agencies.

Now, the reason for this, I am told, or as I understand it, was that you had no confidence in the expertise of the people of the Barbados Sugar Factories Limited. They were unable to manage their own affairs earlier, and now they have a new set of affairs you cannot see how they are going to manage them.

This clause says subject to any clear directions which the Minister.....and so on. For example, suppose the Minister decided to put all of the doctors on it, he has within his discretion the right to change it at any time while monitoring the situation, and I believe that is why this clause has been drafted this way. I might be wrong. I did not go to school very long, but I tend to see it this way.

The Minister, whichever Minister is in charge, would have the power while monitoring the taxpayers' money, as he put it, because these idiots who could not manage their affairs earlier — though they are experts in their own field, they could not manage their own affairs before — you are concerned about giving them this sort of money and you are concerned with them managing this money, so you want some special agents, special people now to manage the money.

My view, according to this clause, is that the Minister of Finance may at any time give directions regarding its administration, the Fund shall be under the management of the Barbados Sugar Factories Limited and shall be applied in accordance with subsection (2). I understand that the Minister of Finance, or his agent then, will be monitoring the situation and if things are not going well, he gives general directions again. This is any Minister at all.

Perhaps if this had been done with the BNB it would not be so, he would be interfering. You see, on this occasion you are satisfied that if he was interfering with the BNB we would not have those problems and you would be asking him not to interfere; but now it has been drafted this way, you still do not agree, you feel like abstaining.

I do not know if I have grasped what you are saying, that you need experts at Barbados Sugar Factories Limited to manage it. The directors, the officers, whoever is going to manage the fund, you want experts; whether it is the Central Bank, the BNB, the Bank of Nova Scotia, Delaware Clinic, you want experts. But as I understand it, the Minister of Finance will give the general directions as to put on these experts to manage it.

We invited you to come and sit with the draughtsmen and put up your views. Your colleague from Christ Church West sat in. What more do you want? Abstain if you like, put the question, Sir.

Mr. B. M. TAITT: Mr. Chairman, before the Minister responds, I do not wish to get into contention with the honourable Member who has just sat down. The honourable Member who has just sat down obviously does not grasp the point that I made. I am going to refresh his memory.

The fact that in the course of debate we said that the Sugar Factories Limited did not exhibit any particular expertise is only incidental now to the point that we made that we would prefer to see an authority, not only some expert, an authority — an investment banker, for want of a better term, but an authority. We recognise that we do not have an investment banker in Barbados. Arising out of what the Prime Minister said that was in his contemplation on managing governmental shares, etc. we accept it to wind down our call for an authority.

What the issue has come down to, Mr. Chairman, is that the law will seek to give the Minister of Finance the power to issue general directions to a private company. The difference between the general directions which the Minister may give to the BNB or BDB, or any other wholly owned Government agency, is that it falls within the ambit of the property of the Government — I use property advisedly — whereas this is a private corporation, the connection of the Government merely existing by way of the Government's holdings in a private corporation. I am saying that as a matter of law that is open to question. Whether that interpretation is accurate or not, it is a position.

The honourable Member talks about idiots and that sort of thing. That is totally uncalled for. It is a difference of opinion as to whether something could happen. To show our good faith in that we are not trying to be intransigent, or even argumentative, we indicate that we would not vote against it — we would abstain.

We think that that is a fair position to take in the circumstances, and I believe that the Prime Minister will agree that it is a fair position, given the argument. I do not think it is necessary for us to go into any pejorative or contentious discussion on this.

I think that the time at the disposal of the persons who drafted this clause can justify their having drafted this clause in its present form. We are not saying that there is anything wrong with the wording of the clause, we are merely saying that given the position we took, this clause, which seeks to cover that position, raises another question which I do not believe we can resolve by debate in this Honourable House. That is the only reason we have taken that position.

Rt. Hon. J. M. G. M. ADAMS: I will be brief, Sir. I understand that the Opposition wishes to abstain in this matter, but I will point this out. If the Minister, constitutionally, cannot handle the phraseology we have chosen, neither can Parliament, because if you want to attack the constitutionality of giving a Minister power to give a private company general directions, you have to attack the constitutionality of Parliament intervening and

telling a private company what proportion of a fund it is to assign to different purposes and so on. I think if the honourable Member realises that, the whole point would have to be at stake if his argument is to be sustained.

Mr. B. M. TAITT: On a point of elucidation. When Parliament passes a law dealing with the allocation of proportions, it passes a general law which applies to all private companies. That is not the point. This would be a law for a specific company. I think if the Honourable Member reflects on it he will see that I am not wrong. I may not be right, but I do not think I am wrong. This is a law which we are passing for a specific company.

3.50 p.m.

Rt. Hon. J. M. G. M. ADAMS: That is the point. We are passing a law for a specific company. We are passing a law, but the point is this: we are giving a specific company powers and we are hedging the exercise of those powers, and there has never, to my knowledge, been any decided case which says that if you give a private individual power that you cannot withdraw the grant, twist the grant about, qualify it and so on.

If I give the honourable Member power to build a jetty, the old Jetty Act that you used to have would still be legitimate now. You can give somebody a Jetty Act on the condition that the jetty is not built more than a certain height, but of course the argument would be that he is building the jetty over Government property.

Under the Town Planning Act, for example, people are given rights to do certain things, but it hedges them. There are powers to do certain things and rights which they can exercise, but it hedges them, and we are doing no more than that.

My original feeling was that the whole character of this is so public that the original wording did create a problem. As I think the honourable Member for St. Michael South as well as the honourable Member for St. Michael West both said, you go right through a whole Act saying exactly what is to be done with the fund and then you seem to contradict yourself by giving a private individual control and management of the fund.

Well, now that we have corrected that, the honourable Member says that we are taking away the rights of private individuals. I hope that Barbados Sugar Factories will not employ the honourable Member to prepare a challenge to it for them.

The question that Clause 7 as amended stand part was put and resolved in the affirmative, the House dividing as follows:

AYES: Rt. Hon. J. M. G. M. ADAMS; Mr. L. L. SISNETT; Hon. Dr. D. G. BLACKMAN; Hon. Dr. R. L. CHELTENHAM; Hon. DeL. O. BRADSHAW; Hon. L. R. TULL; Hon. L. S. CRAIG — 7.

NOES: Nil.

ABSTENTIONS: Mr. B. M. TAITT; Mr. H. A. BLACKMAN; Dr. R. C. HAYNES and Mr. L. A. WEEKES — 4.

Clauses 8 and 9 were called and passed.

Clause 10 was called.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, I beg to move that Clause 10 stand part.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

Dr. R. C. HAYNES: Mr. Chairman, you may recall that at one point yesterday we had been hoping that we might have been able to register our objections to some aspects of Clause 10, "Audit of Funds", which, if the Government had seen our position, they might have taken the opportunity to make some adjustments. However, we feel very strongly about this clause, and therefore we have to state the position of Her Majesty's Loyal Opposition in this matter.

This clause provides that: "The accounts relating to the funds established for the purposes of this Act shall be audited at least once in every financial year by an auditor appointed by the Barbados Sugar Factories Limited with the approval of the Minister. Clause 10(2) says "Within six months after the close of each financial year or such longer period as the Minister permits, Barbados Sugar Factories Limited shall submit to the Minister a report on the operations of the funds" and audited accounts — I stopped reading in respect of those last two clauses — and Clause 10(3) says "The Minister shall table copies of the report and certified statement of accounts in Parliament as soon as practicable after receipt thereof".

Now, Sir, what is the basis of our objection? Last night I heard the Minister of Finance, in a rather agitated state, complaining that I was making a fuss over the fact that the accounts of the Barbados National Bank had not been laid in the House by September 21, when in point of fact there is ample precedent in the management of certain statutory boards where accounts had not been laid for two years, three years and so on.

However, Sir, I believe that the honourable Minister must be able to appreciate the difference and the significance in terms of the presentation of accounts when you

are dealing with a bank that has a commercial division, when you have an institution which demands public confidence and when you have a situation where assets and liabilities fluctuate from time to time in relation to specific circumstances. He knows quite well that there is a difference between a demand for the presentation of the accounts of a commercial bank as distinct from the accounts of the ADC or something like that. The situation is considerably different.

Judging from the general thrust of the debate, when all the accusations and so on have been set aside, listening to the Minister of Finance, listening to the honourable Minister of Agriculture, and listening to speeches on this side, we feel that there is a general area of uncertainty as to the viability of this fund — whether it will be self-sustaining or whether or not it would become a charge on the taxpayers — because it ultimately depends on the performance of the sugar industry and indeed on the demands made by the sugar industry on the fund, which depends on a whole lot of internal and external factors. This is putting it in a nutshell.

I feel that in Clause 10 the Minister should not have any discretion whatsoever in terms of extending the period in which an audit should be submitted. I will say that Clause 10(2) should probably read "Within six months after the closing of the financial year Barbados Sugar Factories Limited shall submit to the Minister.....". 4.00 p.m.

In other words I am going to formally move two amendments to this clause. The first amendment would be that the words "within six months after the close of each financial year," that all those words, ending with "permits" should be deleted and that the clause should continue "Barbados Sugar Factories Limited shall submit to the Minister."

The second amendment of the same clause, Sir, relates to section 3 of that clause which now reads, "The Minister shall table copies of the report and certified statement of accounts in Parliament as soon as practicable after receipt thereof."

I would like to propose an amendment that all the words after "Parliament" should be deleted. I would like to replace the words "as soon as practicable" with "within four weeks." That is the amendment.

I do appreciate that other Members may want to make a small contribution on that particular point in the event that the House is not in session, but that is the principle, so let it come out in the debate. Those are the two amendments, essentially removing those discretionary powers, that I would like to make.

Mr. B. M. TAITT: In rising to second that amendment I wish to say that I am supporting it for this reason. I am dealing with the first one; I am dealing with the comma after the word "year", the deletion of all the words thereafter right up to the word "permits" and continue as in the present clause. (*Asides*) A comma after the word "year", deletion of all the words thereafter, and continue as before.

I am going to support it, Mr. Chairman, not because I do not wish the Minister to have the power. I do not think that that is the issue at the moment. The issue is to deal with the Sugar Factories Limited. I believe that on reflection it will be seen that this will strengthen the Bill, because investors out there are likely to feel more confident if they have a mandatory requirement on a company such as this than if they feel that discretion can be exercised, not by that Minister of Finance, but by a Minister of Finance.

In other words, I am not questioning the Minister's right to discretion at any point. I think a Minister should have discretion. I am just saying that for this Bill, again it is innovative. We have debated it so I do not want to repeat myself, but I think on this occasion it will tend to strengthen the Bill.

On the second amendment, which seeks to have the Minister lay the document within the House within four weeks, I am going to support that for this reason, Mr. Chairman. The honourable Member, the Attorney General will remember a famous case which had exactly these words "as soon as possible" — I am speaking of the case of *Springer v. Doorly*.

Mr. CHAIRMAN: Order, please.

Mr. B. M. TAITT: where these exact words were used

Mr. CHAIRMAN: Order.

Mr. B. M. TAITT: "as soon as practicable" — I think in that case it said "as soon as possible" — and the courts held that the phrase had absolutely no meaning in law. I think it is desirable and I think it is open to

Mr. CHAIRMAN: Order.

Mr. B. M. TAITT: to suggestions from the other side concerning what happens when Parliament is not in session, but again I think that the law takes care of that, because the Constitution makes provision for when Parliament is not in session.

If it says "four weeks", it has to be assumed that Parliament is in session, so any period for which Parliament is not in session would not run for four weeks.

But that is a question opened to interpretation. If honourable Members wish to extend that, I will have no objection.

But it seems to me that these amendments will tend to make the Bill stronger given that it is a private company, that it will be administering a fund of \$20 million asking people to purchase bonds. I think that if people feel that the report is mandatory, and that there is no possibility of extension, people will have more confidence. And I believe that the requirements to lay, given our experience with the case I cited, and also there is the recent case of Biggs — that is an indication; if people know that the laying has to be done within a specific time, the chances of what happened in the Biggs case happening again would be less than if they feel it can be laid, 'whenever necessary'. For those reasons, Mr. Chairman, I am going to support these amendments.

Mr. CHAIRMAN: There seems to me to be a lot of confusion. I note that there is the notice of one or more amendments which, as far as I know, have not been circulated. I have not seen any copies of them.

Hon. L. S. CRAIG: Sir, I am not supporting any amendments to Clause 10(2). The honourable Member for St. Michael South Central seems to be a stickler for accounts — you have to be on time, you have to be in here by 12 o'clock with the accounts or the Government is wrong; all of these sort of things.

Now as I understand this clause, 10(2), it says "Within six months after the close of each financial year or such longer period as the Minister permits....." I believe that the draughtsman was probably taking into consideration the possibility of the auditors having a fire at the building. (*Asides*). (A fire is an act of God? You mean you wilfully go and take up a match and go and light somebody's place and call it an act of God). All of these things are likely to happen. The office may have gone into receivership. Something may happen. All this is doing is if the Minister is satisfied that you could not get through with the audited accounts in time, it gives him the discretion to give you a little more time. Now what does the honourable Member want? Really, tell me. You want your head amended.

Clause 10(2) says "Within six months after the close of each Financial Year or such longer period as the Minister permits,....." It takes into consideration that something may happen during the six months, so you are giving the Minister the opportunity to extend the time beyond six months. Now what amendment could that really want? Really, tell me. A comma here and a full-stop there. For what?

I believe, to my mind, that drafting is something which goes on and on by the legal draughtsmen. It is

a formula to look at something, they copy it out, and add a few things here and there.

4.10 p.m.

I have seen drafting done on Bills already with nearly everything taken from another Government. You take up the legislation and put in "Barbados" and "independent" — those sort of things — and instead of the "Secretary of State" you put in "the Minister".

All this is saying is that at the end of six months and the auditors are in no position to satisfy the Minister that the accounts are not yet audited, that he would have the discretion to tell them, "all right, take two more months."

It may serve your party well when you get back the power, because you may insist on it not to bring accounts at all. You may be in the position not to bring accounts at all, as you have done so often. As was demonstrated yesterday with the Agricultural Development Bank, you did not bring in any at all in 1969 and 1970. You did not bring in any accounts at all in those years.

You really believe that you could be as tight with money or as close or detailed as the Minister of Finance. He is like a nickname when it comes to money — tight; he is close and very detailed. He is a man with a mathematical mind. (*Asides*) You know who are dealing with, or do you not know who you are dealing with? Those twenty-two years I was with him, he is like a "bumdrum" — tight, tight, tight. (*Asides*) (I am cheap then.) You cannot get a cent out of him for a joke. He would hold a dollar until it holler, and every minute you hear about the country's financial affairs in chaos. Could they be in chaos with him?

I therefore, Sir, cannot.... Amendment what? But the Minister is asking that be done in the event that something is wrong with the auditors, for some reason.

I believe that the Government would like to see all of its accounts up-to-date. The National Housing Corporation, when we took office, did not have accounts; they did not exist. I think we have them up-to-date, if I am not mistaken, or very close. We had to employ a man, extra staff, to do it. It only demonstrates to you how interested the Minister of Finance is in keeping the accounts of the country close. And yet every minute you are talking about an amendment — you want a comma here and a fullstop there. You want your head examined, man, or your ears. Put the question, Sir.

Mr. CHAIRMAN: The honourable Member for St. Michael South.

Mr. L. E. SANDIFORD: Mr. Chairman, as I understand the amendment that has been proposed by the

Member for St. Michael South Central and seconded by the Member for St. Michael West, the whole drift of this amendment is to make it a tight responsibility for the accounts relating to this fund to be submitted to Parliament within a specified time. The counter-argument seems to be that the Minister must have some discretion in case there is some contingency, which may arise, but the Minister is a very tight Minister himself and that therefore these matters are in safe hands.

The arguments that we are advancing from this side has nothing to do with this Minister of Finance or that Minister of Finance — it is relating to a principle — and it is time that this Parliament enunciates a clear position that it is going to insist that when it has requirements on the Statute Book that those requirements should be satisfied. And if there is some special reason it is impossible to keep the terms of those requirements, then the Minister is duty-bound to come to Parliament and explain why it is that he has not been able to stay within the four corners of the law.

Now as I understand my colleague, the Member for St. Michael South Central, there has been instances in recent times in which certain accounts have not been laid. There may be good and sufficient reason for that, but has this Parliament been told of these reasons? Has the matter been brought to this Parliament?

We are all accountable to the Parliament, and it is time, and I will certainly use every muscle and sinew in my body, and in my voice, to speak on behalf of Parliament as a body that is an important aspect of the Government and administration of this country and to ensure that its position is not downgraded.

It does not matter which Government is in power, because we may very well inadvertently, I am not saying there is any deliberate sly, but we may very well inadvertently, build in so many exceptions, so many modifications and so many extensions that we may find ourselves structuring a form of Government which ends up as nothing more than an elected dictatorship.

We must recall that democracy is practised in only a small number of countries in the world, and the transformation from democracy into a dictatorship is a path that has been followed in this region and in other parts of the world, and we over here, and I am certain that Members over there as well, are committed to maintaining this country as a democracy — and as an accountable democracy.

That is all the Member for St. Michael South Central is trying to assure, that those persons who are given responsibility must account to Parliament — and account within specific times.

We are well aware of instances in which there is a requirement upon the Central Bank to submit reports within a certain period after the close of their financial year. And there is also a requirement on the Minister of Finance to submit to Parliament those annual reports and statements of accounts, and so on, I believe 'as soon as practicable thereafter' or whatever it may be.
4.20 p.m.

Time after time, even year after year, even though the Central Bank submits within the specified time, we in this Parliament are unable to receive the Annual Report of the Central Bank until after the Budgetary Proposals have been made. Why is it kept so long? We do not hear of any amendments, because I do not think the Minister of Finance is in any position to amend what the Central Bank sends up. Why is it kept that long? Why is the information withheld?

It is these kinds of powers which a Prime Minister can misuse — I am not saying that Prime Minister, it could be a Prime Minister from over here as well — and we have to guard against all of that.

There is one thing about power in a democracy — you always have to build in safeguards to control it. And whether it is the Member for St. Thomas or the Member for St. Michael South, whatever or whoever it may be, we have got to build in the necessary safeguards and not permit ourselves insidiously to go down this road where we may build up all of these powers around one man and then find ourselves in a position where we cannot maintain a democracy in essence and in truth, and where we may only have the forms and not the reality.

We are going to fight against that, and I believe that this amendment is one which should commend itself to this Honourable House, and I so commend it. If you cannot meet the requirements, come and tell the Parliament that for reasons A, B, and C we have not been able to do this.

Hon. L. S. CRAIG: Sir, on a point of order. There is provision also in the Standing Orders. If you are really going to monitor the situation carefully, and you want to make sure that they are here on the first day after the six months, all you need, if we do not give you the information, is to put down a Question and ask for it. These are the safeguards already built in. You are getting away with a Second Reading speech, but of course the Chairman is relatively kind to all of us at times. I hope he will be unkind to you at this moment so that you stick to Clause 10.

Mr. L. E. SANDIFORD: I take the point you raise about Questions. Only yesterday there was an instance of a Question which I asked in October last year, but do you know to answer a Question takes longer than to get

accounts here? It was only answered yesterday, and what was the answer? The Government cannot answer the Question. They do not know which one should answer, they have no co-ordination.

Hon. L. S. CRAIG: No, it is the ignorance of the Member for St. Michael South, who does not recognise that there is not a single portfolio in here which says "the Appropriate Minister." There is no ministerial portfolio known as "the Appropriate Minister", and if in your ignorance you do not know which Minister you should have directed the Question to, we gave you the answer as an ignorant Member.

Mr. L. E. SANDIFORD: I am glad that all of them, including yourself, are inappropriate.

Hon. L. S. CRAIG: The people did not feel so — the people feel that we are appropriate and that you are inappropriate. That is why you could not help using the term "appropriate Minister."

Mr. CHAIRMAN: Order! I have amendments before me which I believe have been circulated, and I am informed they have been circulated. In Clause 10(2) a comma has to be placed after the word "year" in the second line. I will treat this as one amendment. I do not think there is any objection to that.

The question that in Clause 10(2) the words proposed to be deleted stand part was put and resolved in the affirmative without division.

The question that in Clause 10(3) the words proposed to be deleted stand part was put and resolved in the affirmative without division.

The question that Clause 10 stand part was put and resolved in the affirmative without division.

Clauses 11 and 12 were called and passed.

Hon. L. S. CRAIG: I move that the Schedule be the Schedule to the Bill, Sir.

Mr. L. L. SISNETT: I beg to second that.

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

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

On the separate motions of Hon. L. S. CRAIG, seconded by Mr. L. L. SISNETT, the Bill was read a third time and passed.
4.30 p.m.

THE CIVIL ESTABLISHMENT (GENERAL)
(AMENDMENT) (NO. 2) ORDER,
1982

Order No. 7 was called — To move the passing of a Resolution to approve the Civil Establishment (General) (Amendment) (No. 2) Order, 1982.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, there has been a number of anomalies discovered in the Civil Establishment Orders — various staff adjustments perhaps had not been carried out, one or two re-namings which may have missed earlier Civil Establishment Orders; some offices in the Immigration Department — Clerical Officers change to Immigration Officers because they in fact have to carry out duties — Special Assignments Officer remain; changing names of posts at the Met. Office; we are doing away with some post of "Forecaster" calling them meteorologists; in the Ministry of Trade we are abolishing a post because energy has come to the Prime Minister's Office and so on. There are a number of them.

I really do not believe that it should cause any enormous difficulty. Perhaps the most significant is that we are not pursuing the proposal to have an established Traffic Warden system, but we are looking instead at the whole question of car parking and the use of traffic wardens in Bridgetown, so we are abolishing that whole department.

The Ministry of External Affairs has been renamed "Ministry of Foreign Affairs". We are dealing with that. In connection with the Ambulance Service, we have shelved the plans and we are abolishing the 61 posts of Fire Officer that might have been needed to manage with these plans.

There are a number of things that I really very much hope are non-controversial. The essential thing is that they must be passed before the main Civil Establishments Order is passed, because the main Civil Establishment Order refers to the new order of things, that part of which was brought into being by this.

I beg to move that this Resolution do now pass.

Hon. L. S. CRAIG: I beg to second that and reserve my right to enter into the debate.

Mr. L. E. SANDIFORD: Mr. Speaker, on this particular Civil Establishment (General) (Amendment)

(No. 2) Order, 1982, I wish to consider the item for the renaming of the Ministry of External Affairs as the Ministry of Foreign Affairs.

This is set out in the Addendum, and of course this is a matter that has been canvassed for quite some time — (and I believe the Estimates had a Head for Foreign Affairs; I believe it is so structured in the Estimates, I believe the Estimates have something called Foreign Affairs) — but the argument generally has been that Foreign Affairs tends to give a little more depth and status and prestige to the operations of the Ministry over which my friend, the honourable Member for St. George South now presides. But it does give us an opportunity to make a few comments on the new thrust that might be implied under the term "Foreign Affairs", and I should like to advert particularly to one of the current issues, the problems in the Middle East.

The Ministry of Foreign Affairs is responsible, as I said, for instructing its overseas officials on how to prosecute the affairs of this country and how to regulate dealings with foreign countries.

I should like to say that this Opposition, and I have no doubt I speak on behalf of all Members of this Parliament, were particularly horrified at the massacre which took place in West Beirut some few days ago.

I have not received the words by which the Ministry of External Affairs has itself condemned the activities, the brutal and vicious carnage, which took place on the Palestinians in the refugee camps in West Beirut, but no doubt appropriate representations may have been made.

But in case that they have not been made, I am calling upon the Minister of Foreign Affairs, or External Affairs if he is not yet Minister of Foreign Affairs, to make the strongest possible representations to the accredited representatives of the State of Israel to Barbados, and also through the agency of our representative at the United Nations, and our Mission to the UN was presided over with great distinction by the honourable member for St. Michael East, and I am certain he will join me in bringing pressure, if pressure is necessary, on the Government of this country to make its voice heard in these particular matters.

I have heard that the Ministry is interested in a seat, I heard this over the media, on the Security Council, and these, obviously, are matters which will take up the time and attention of the Security Council. So it must demonstrate its fitness for such a seat by making the necessary representation.

Now we do not know — I do not know, let me put it that way — the full facts of the situation, but what

we do know is that the Israeli forces were in military control of that area, and whether they turned a blind eye when the forces of the Christian Militia or however they style themselves, the Phalangists, whether they turned their eyes the other way, or, as they claimed, they did not know what was going on, the fact is that they were virtually in the position of an occupying power as an interventionist state.

I am not dealing with the overall problem of Lebanon, the civil war, different factions and those matters. Syria is also occupying or is in certain parts of Lebanon and Israel is in there.
4.40 p.m.

We have had the assassination of a President designate and now we have the succession of his brother. Whether certain actions resulting from the assassination of that particular President designate, whether there was this thing about revenge, I am not here to say.

All I am saying is that it is shocking to the conscious of this country, and in the best traditions of the continuity — yes, continuity — in foreign policy in this country, whenever such outrages occur, I believe that it should go on record and let our voices be heard on this particular matter. So I call upon the Minister of Foreign Affairs to ensure that the strongest possible representations are made on this particular matter.

It is not very often that this Parliament has discussed external affairs or foreign affairs in any depth. I recall that on a previous occasion an attempt was made to draw attention to the actions and activities of Israel on the Golan Heights, but that did not come to much as far as debate or discussion was concerned.

But I think we as a Parliament would be failing in our responsibility if we do not unite in a statement and in the expression of our disgust at that kind of carnage that took place.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I regret that I cannot accede to the request of the honourable Member for St. Michael South for continuity in Barbados' foreign policy towards Israel. Under the previous regime....

Mr. L. E. SANDIFORD: On a point of elucidation.

Rt. Hon. J. M. G. M. ADAMS: Under the previous regime, Barbados voted in the United Nations for shooting down the Saudi Arabian airliner by Israeli planes and the killing of 130 people.

Continuity on this occasion with the Democratic Labour Party's foreign policy, would involve voting that the Israelis were right to hold the gates of the refugee

camps while the militia killed the people inside. I therefore cannot agree to do anything in the name of continuity.

I have no doubt that the Minister of Foreign Affairs, as he has been since the beginning of the financial year, will instruct, in accordance with a decision which the Cabinet will no doubt take tomorrow, our representative at the United Nation to act appropriately in respect of the massacres which appear to have taken place in Beirut.

I sincerely hope that the impassioned words of the honourable Member for St. Michael South will also be called to assist when, as I believe may happen shortly — evidence is adduced that the Russian forces in Afghanistan are using chemical warfare against barefoot peasants in the hills; and the next time the Palestine Liberation Organisation kills women and children or the Irish Republican Army blows up horses in London will be heard with the same force.

Mr. B. M. TAITT: Mr. Speaker, I rise on a point of order, Sir, because I need your direction now, Sir. I believe that in the Prime Minister's exuberance to respond to the honourable Member who had spoken that he did not remember that he had introduced this Resolution which was before the House. I believe the House would now have to give permission for any other honourable Member to speak since he has now spoken.

In the interest of procedure I draw it to Your Honour's attention and seek the permission of this Honourable House to allow the debate to continue.

Mr. SPEAKER: I think that you have really lost your opportunity to address the House on this Resolution, because when the honourable Member for St. Michael South took his seat, the honourable Member for St. Michael West Central had an opportunity to rise.

Hon. L. R. TULL: On a point of order. I believe, Sir, that you had established a practice sometime ago that before a Minister is asked to wind up a debate you ask other honourable Members in the House if they wish to make a contribution before you allow that.

I know that Your Honour is usually alert on these things, but I really would think that in view of the contribution made by the honourable Member for St. Michael South as it relates to the Ministry of Foreign Affairs, Sir, that Your Honour will be as liberal as possible in interpretation to allow the rest of us, and particularly myself, Sir, since I am the responsible Minister, to say something on it.

Mr. SPEAKER: When I observed that the numbers on the Opposition benches were so few, I felt that in the

same way the honourable Member for St. Michael West Central had risen, so had the honourable Member for St. Michael West. But I take it that the Prime Minister rose evidently to reply rather than to wind up the debate.

Mr. B. M. TAITT: Mr. Speaker — if I can catch the Speaker's eye I had better get in my few words — I should like to suggest, with regard to the Prime Minister's indication that he expects to hear the voice of the Democratic Labour Party on the matters he raised, that he can be assured, and I can give him the assurance, that each time there is an indication of dehumanising behaviour on the part of any power in the world, and the Government takes a position against that behaviour, it can count on the voice of the Democratic Labour Party for support.

He seeks to suggest that there will be no continuity. I do not accept his argument, although I understand the motives. The argument concerning the Israelis policy may be valid, but the argument as it applies to atrocities performed by any country, if taken in the sense in which it was argued by my colleague, then his point would not be valid.

4.50 p.m.

Because even if, as it has been alleged by a large number of persons, the current Barbados policy is to align itself as closely as possible with the policies of say, the United States Government, and the United States government came into another Vietnam, for example, and it was found that they were using weapons of warfare that had been outlawed by international convention in spite of the alleged alignment of Barbados and the United States, I would expect Barbados to take attack away from any alignment with the United States if such a situation should occur.

So I think we should divide our positions, and I say it without prejudice to the policies of the Democratic Labour Party and Israel in the past, I would say parenthetically, Mr. Speaker, that not every policy of every ambassador is necessarily the policy of every Government, and I think that both Governments are in a position to speak on the efficacy of that situation.

Many an ambassador has found himself at variance with his Minister, or with his Government, and the distance between the ambassador and the Government has served to carry the variance, at least *pro tem*. Even here at home from time to time, certain ambassadors and managers might proceed in a direction different from those of the Government, and hence they become *pro tem*.

But, Sir, quite seriously, I wish to lend my voice to that of my colleague on this question of the atro-

cities which must obviously fall at the door of the Israeli military policy in the Middle East, especially since the PLO had agreed and had started on the trek out of the area. It is not acceptable, and it cannot be acceptable, to people of goodwill to allow friendship to stand in the way of principle. And no matter how close a friend you may be of a particular country, when that country goes off the track, that country should be told so.

I note, Sir, that there is going to be a change in the name of the Ministry responsible for Sports, and I take this opportunity to say that the recent statement by the Minister responsible for Sports on the issue of South Africa finds full accord with this political party.

I wish it to be known that we in the Democratic Labour Party will not see the matter of South Africa in any partisan way and we will not seek to get any political mileage out of the issue.

We stand fully behind the concept that black people ought not to be used as pawns in the international arena. We acknowledge and accept that there are many difficulties confronting individual sportsmen when they come face to face with large offers of monies, but we adhere to the principle that contacts with South Africa on the issue of sports ought not to be made by our West Indians for a price.

I do not wish to say a lot on this issue because almost any words one says on this issue are subject to, and capable of, interpretations, which, when subsequently they are heard, you can't believe that they bear any relationship to the actual words you used.

I personally feel very strongly about the issue, but I do not necessarily feel that I have to inflict my personal views on this Honourable House or the people of Barbados — to each his own.

I say, however, that the Democratic Labour Party's position, whatever it might have been in the past, is now very clear, and it accords with the view expressed by the Minister recently in a public statement.

Mr. Speaker on the Immigration Department, some time ago I raised the question — there is an issue here on the Immigration Department — concerning certain behaviour in the Immigration Department, and subsequently the Minister of State in the Prime Minister's office in the course of a debate in the Other Place, and I think publicly, sought to suggest that the questions raised were either (a) mischievous or (b) information that is in the public place already.

I now take this opportunity to suggest to the Minister, the Right honourable Prime Minister, that I hope that an investigation is being carried out in the Immigration

Department where an officer — I will not call his name since I have not communicated with Mr. Speaker — in the Immigration Department is now clearly known to have been participating in matters that could only be described as "corrupt matters." If the Minister wishes me to, if he does not know of what I speak, I will privately communicate the information which I have to him.

But I would say this, there is a lady called one Mangru, or Managru, a Guyanese, — I am giving an example so that the Minister will know that I am not speaking for political mileage — whose papers seem to have been forged by way of a back dating of the document which purports to give her status in this country — and the documentation seems to have been initiated by an officer in the Immigration Department. (If he still there now? *(Asides)* Well, I am not able to say if he is still there now, but I will give the Minister the information, Mr. Speaker.)

You see I am saying that, because when sometimes one makes a public statement, one is accused of being "mischievous." I do not wish to go any further in the matter, but I am saying that I hope that the Minister, if he is not yet aware of any misfeasance in that department, will take steps to investigate whether there is such misfeasance along the lines I have just outlined.

I will stop at that point on that issue, Mr. Speaker, but I assure the Minister that there is a lot more to it than I have cared to put on the record of this House at this time.

I feel fairly strongly that there are certain areas of public life in this community which ought not to be available for interference, and I believe that where a public officer — and here I use "public officer" in the widest context — finds himself in a position that can be considered — I think the government likes to use the term "infelicities" — infelicitous, then all of us are drawn down in the resulted mar.

Mr. Speaker, I wonder if the Minister will spend a little more time explaining the Traffic Warden decision. Because when the then Attorney General announced this scheme, he announced it with great fanfare. I recall that there was a very long debate in which he set out like a white knight to demonstrate that he was going to be championing the cause of the women by the creation of this Traffic Warden Scheme.

I would wish to know from the Prime Minister if the Traffic Warden Scheme was tried, and since a decision has been made to abolish it, if he can give us some indication as to the thinking of the events which informed that decision.

I think it would be helpful and useful to us, because the three or four Traffic Wardens which I saw

working seem to have been performing the function. I think there was one outside of Queen's College who managed to tie up the traffic fairly effectively on mornings, but she did get the children across the street. She might have been voluntary, though. (*Asides*) (A man? I used to see a woman, I do not know, we must be looking through different glasses.)

5.00 p.m.

Mr. Speaker, I take this opportunity though, if the Prime Minister is going to be introducing a wider scheme — I formed the impression from what he said that he would be expanding the scheme to include parking meters and 'meter maids', as they are called in North America — if I am wrong I would like to be corrected — but if this is going to be the case I think that now is the time for him to give us some information on that particular issue.

There are one or two little anomalies in the Service which I would like to ask him about, which do not seem to have found their way into this Civil Establishment Order No. 2. As far as I know, Mr. Speaker, there are some five or six, or maybe more, persons who have been on special leave for some considerable time.

It seems as if the Government has found a technique for dislodging people from particular positions, and the technique seems to be to put them on "special leave." When, however, there is information that persons have been on special leave for as long as two years, drawing full pay.....(Rt. Hon. J. M. G. M. ADAMS: Special leave does not exist any more).....I am told that there are persons who are on special leave, one of whom has been given permission recently to go to London.....(*Asides*).....I think it is Organisation and Management, one of those esoteric departments. The Prime Minister is saying *sotto voce* that that department has been abolished. I understand an officer who formerly worked there — I may have the department wrong, but it is one of those units — was on special leave for two years.

I am told that there is another officer. I think the Government Printer is on special leave. The Prime Minister is saying that he would like to think he has been dismissed, the other Minister is saying that he is grossly incompetent. I do not believe that here is the place for me, having identified him, to discuss his competence or otherwise. I do not think that would be proper.

I really think that if in fact he is on special leave that we are doing ourselves a disservice. If there is a case, let the case be put, let the decision be made, and let the thing be cleanly done.

The Government should strive to prevent people from feeling that whenever the Government does not wish

a particular officer to be in a particular post, and the Public Service Commission is not moving in the direction the Government wishes, that the person can go on 'special leave.'

I do not know, Mr. Speaker, I lay no claim of having any special knowledge of the circumstances; what I do know is that my information suggests that there are three or four or five persons who are on special leave on full pay — and they remain at home.

Then there is another category, Mr. Speaker, who seem to get special assignments. I know of one gentleman who has been looking at legislation for some considerable time. Apparently he has been required to review legislation, or to create new legislation, with a view to bringing it before this Honourable House in due course — but "in due course" seems to extend to some considerable time.

I am not going to dwell on this. I think the Prime Minister will get the point of what I am saying, and I expect to hear him, if not now at some time in the future, expounding on this new philosophy, if it is indeed a new philosophy, of how to, shall we say, by-pass some of these civil servants who, if the authorities feel they are not functional, or disfunctional, or dangerous, I understand get these special assignments, like looking at legislation and that sort of thing.

Mr. Speaker, there is also one question which, in some ways, I would like to raise, but I would like to raise it in such a manner as not to be invidious. I would like to ask the Minister of Foreign Affairs, if he feels able, only if he feels able, Sir, to give us some kind of outline as to the basis on which he appoints his foreign officers.

Now I know that the Prime Minister retains the responsibility for such appointments, but I am asking the Minister of Foreign Affairs, who may in fact suggest that the Prime Minister will answer. I do not wish to get details of any individual who has been appointed, nor am I seeking to suggest that.....(*Aside*). Do you mean you still continue that policy?

Mr. Speaker, the honourable Member, the Minister of Agriculture, is raising a question *sotto voce* about methodology which might have been used during my time as a Cabinet Minister. It is precisely what I am seeking to find out, if that methodology which has been subject to some examination by the current Government might have been found to be so desirable that it is still being continued in practice. If that is the case, then there is probably no need for any further airing of the matter.

I think, however, that when the role which foreign officers play is considered, that we as a community ought to be particularly careful and particularly effi-

cacious in choosing of our foreign officers, because each foreign officer, in my opinion, is in many ways a special ambassador for Barbados, and what he does or does not do while functioning in his role plays a very important part in the image which Barbados gets overseas.

Mr. Speaker, I said I would not be invidious and therefore I will not seek to deal with any specific officer, but I have reason to believe that if the criteria used — there is no need to do it, there is no mandatory requirement to do it — but if the criteria used were better known a number of the rumours which circulate concerning some of the appointments would tend to dissipate.

Mr. Speaker, I believe that I have covered all of the areas that I wanted to cover under this Civil Establishment Order. I will merely say, before I sit down, that there are some things I will wish to say on a particular foreign service officer, but I would prefer to say them outside, so the foreign service officer will have the benefit of recourse to the courts in case I say something about him which he considers to be unfair. I will not take this opportunity to do so.

Thank you very much, Mr. Speaker.

Mr. C. L. BOLDEN: Mr. Speaker, the honourable Member who has just sat down raised the question of immigration, but I believe that most of the problems and most of the suspicions raised in the Immigration Department are based on the fact that I personally do not believe that you have got persons who are versed in the law dealing with applications in that department.
5.10 p.m.

One of the things that I have discovered is that it takes well over a year in some cases to deal with the applications for residence and other things in that department, which is a rather frustrating situation in which to place people who come here and try to follow the laws. Someone makes an application to the department and have to make daily or weekly visits to that department and sit outside waiting on a particular officer.

Now these are things which I believe the Minister responsible should look into swiftly, because it is these very things that raise suspicion about what is happening in the department.

Secondly, there seems to be no proper system of recording applications in that department. What you find happening is that an officer writes to an applicant and tells him he has not produced a birth certificate, or he has not paid the fee, when in truth and in fact the person holds a receipt for payment of the necessary fees and for having deposited the necessary documents.

There is a habit which I would like the Prime Minister to listen to carefully, that individual officers in that department by-pass counsel working for people and write to the people and say, "come in and see me personally on so and so day and at so and so time."

Now that is what is raising suspicion. I am not saying that there is not a good reason for so doing, but I do not believe it is appropriate, nor do I believe it is correct. I do not believe that you must go to see a specific officer at a specific time.

There is also a conflict between that department and Government policy. Over the years we have been inviting people from the other islands to come to Barbados and help reap our sugar crops. Some of these persons seek to remain in Barbados after the crop is finished. They take up residence and they do no more than the manual work, the type of work which Barbadians are not now doing.

One must recognise that when a society begins to lift its standards, natives refuse to do certain types of jobs. We have had it all over the world. In the Fifties and Sixties the English came to Barbados and recruited people to go there to drive buses, work on the trains, work in the tea shops, be nurses' aides and do all kinds of jobs in the categories that the English or the Irish had refused to do. In the United States you had a similar policy of people leaving Barbados to go to the United States to cut canes and be maids.

In Barbados we have reached the same situation where you cannot get a housemaid unless you find a St. Lucian, a Vincentian, a Dominican or somebody of that order. If you want certain manual tasks or agricultural work done, you cannot get Barbadians, who are walking about the streets talking about "no employment", to come and do it for you.

So you have a few people from the islands who have come here and remained, doing these jobs. Somebody informs the Immigration Department that Mary and John from one of the islands live down the road and might not have a work permit or something. Now, what happens?

There are a lot of people from St. Vincent and St. Lucia in Barbados who were here for as many as ten years, but did not take the opportunity of the amnesty, which was given by this Government, because they were afraid. Despite the fact that it was said quite clearly that we were offering an amnesty for them to regularise their position in Barbados; they did not turn up.

I have a case of a man who came here during the time that we were appealing for carpenters. The man was

working, he applied to remain in Barbados and it took ten months for the Immigration Department to deal with that man's application.

But listen to what they do, Mr. Speaker. They tell you to bring in a current airline ticket and your passport to the Immigration Department — this is after ten months, a year, or 18 months after you have made an application — and the first thing they tell you is that your time has expired. In many cases they are holding your passport down there and they do not even know they have your passport. Now when you turn up with your valid airline ticket, they tell you you have to get out of the country tonight before we process your papers, and then you can come back in when we tell you to come back. When you get at the airport the officer up there will tell you not to come back for three months.

If you ask them where are the rules and regulations in respect of these orders you are given, they tell you they make the orders down there.

I would not criticise the honourable Member or persons outside for raising questions about infelicities in the department, because the circumstances in which these things are being done leave the mind wide open to conjure up all kinds of thoughts.

I am not saying that they are involved in these infelicities or, as the Trinidadians would say, "boball." I am not saying that. All I am saying is that the procedure is such that it leaves it wide open for anybody to have any sort of thoughts as to what is happening down there.

I would hope that the Minister would take urgent action to produce a set of rules and regulations by which every officer in that department will make the decision, because what I have found out is that officer "A" will make one decision, officer "B" will make a different decision and officer "C" makes a third decision, and if you are dealing with a case where a particular officer has gone on holiday, you have to wait until that particular officer comes back before anybody can see him.

I do not believe that this should be so. I believe they should be working in unison, and a decision taken can be a decision that any officer would have arrived at instead of what is happening. More so, the one that is urgently in need of attention is the speed with which officers are dealing with applications that have been filed.

Another question is that in the last day or so in both newspapers I saw a statement about a circus coming to Barbados, and it is alleged that the circus will be bringing elephants, lions, snakes, birds and something else.

Now, Mr. Speaker, for years, before I was a Minister, while I was a Minister and subsequently, I had known people in Barbados who with good intentions to develop agricultural production in Barbados have been making applications to the Ministry of Agriculture for licences or permits to import cows, sheep, pigs, rabbits, and birds into Barbados.

It is only, I believe, on two occasions that pigs have been imported from anywhere in the Caribbean into this country. The only place that cows, as far as I know and can remember, have come into Barbados has been Canada, and they have been put in special quarantine at Woodland for nearly two weeks before they were delivered to the persons to whom they were allocated, and they came in simply because the Canadian Government provided the purchase money for the cows in Canada with a view to uplifting the dairy industry in Barbados.

The Agricultural Society, on numerous occasions, and individuals have applied to bring pigs into Barbados to enhance the stock in the island. We have been able to bring a few sheep from the United States, based on a programme, and these were put in special quarantine for a long time.

It is now surprising for me to see in a newspaper that a circus is coming to Barbados with specifically, among other things, with pigeons. Persons in this country, bird fanciers, have been trying to import birds of all kinds into Barbados. They have been trying to import stock to enhance the local stock that is in the country which is perhaps suffering from inbreeding.

I believe the Minister responsible should clear the air and tell us (a) whether the circus is coming with these supposed animals or whether they are not coming, and (b) if the circus is coming what clearance and what quarantine provisions have been made for this circus to come to Barbados.

5.20 p.m.

I believe this would be contrary to somebody's wishes, and I believe it would show preferential treatment for one group of people as against another group of people.

I believe there need to be a clear-the-air statement on this, because I have had several telephone calls to find out how these things are coming in, where there are coming from, and whether there are quarantine arrangements being made for them. And I believe that in order not to put the Government in any position where it can be seriously criticised, the Minister, early, should make the position absolutely clear about this circus.

Already I understand that there was an advertisement in Sunday newspaper to call a particular telephone number for jobs as cashiers etc., and the number has been jammed out of proportion. I do not want to say that we are going to create this kind of activity in Barbados to make people believe that there are potential jobs when in truth and in fact the circus that is coming is not what it should be.

When I was asked on Sunday I said I knew nothing about the circus bringing animals to Barbados. Then recently I have been having all sorts of calls about the regulations under which these animals and birds are coming to Barbados.

Hon. L. R. TULL: Mr. Speaker, Sir, I had initially intended to give a very full explanation to the honourable Member for St. Michael South on the matters raised in relation to Israel, but in view of the fact that the debate has been protracted beyond the period expected, I will make it very succinct.

The Government of Barbados shares the concern and feel the sense of shock at the events that have taken place in Beirut over the last week, when hundreds of Palestinians refugees were bitterly murdered by Christian Phalanges in a camp that was really under the security of the Israeli forces. We feel the same disgust as the honourable Member, and indeed much of the world community which have expressed their views in the last few days.

We are indeed very concerned about the fact that there has developed an intransigence and fanaticism on the part of the Israeli Government in its dealings with the whole of the Middle East, and we have seen they have abandoned the reasoned attitudes of even their closest allies in seeking how to defuse the situation in that area.

The Ministry of Foreign Affairs will give appropriate instructions to all its offices overseas in respect of this matter. I, myself, will be making a statement in the General Assembly Debate at this 37th Session in which I will express the feelings of the Government of Barbados in the whole matter.

The honourable Member for St. Michael West raised the question of the criteria for the appointment of Foreign Service officers. We used a number of criteria with new people — educational background and training, we interview them as to their suitability for the type of work for which they applied and at another level we bring to bear the experience of older people in the community, their knowledge and background. We get all of these points to be brought to bear in the appointments.

I am trying to tell the honourable Member that we exercise the same criteria that was used when he was appointed Consul General in New York. Nothing has changed. If the honourable Member for St. Michael West thinks he was a good appointment, well....

Now one other thing Sir. The honourable Member raised the question of the West Indian cricketers going to South Africa and so on. Now the Minister of Sport made a statement sometime ago, which I read — I was out of the country — and I am in general accord with what he has said. There are some issues where principle must take pride of place and it is a sad society which has got very little conscience, that sees everything in terms of material gains.

The whole question of what is happening in Southern Africa has been anathema to all decent-thinking people, not only in Barbados but throughout the civilised world, for a very long time. And pressure will have to be brought to bear increasingly to bring some kind of change in attitudes in Southern Africa.

At this stage I am in contact with other Foreign Ministers in the region to see if we can maintain a common position in respect to the Barbadian/Caribbean players who are being lured to South Africa to play cricket.

Honourable Members well know that the Commonwealth Games in Brisbane will be coming off some time soon, I think there will be a meeting in Brisbane of the General Assembly of the Commonwealth Games Federation and they will again take up the whole issue of the Gleneagle's Agreement and try to incorporate certain principles into the constitution of that Federation.

We are sending, I read in the newspaper, a team of about eight athletes to the games. But I consider that the issue that will be discussed at that meeting in Brisbane will be of such paramount importance that the Government must be in a position to brief, at the very bottom, one of the officials from Barbados as to the position we would want them to take in relation to such a sensitive issue. At best, it may be even more appropriate for the Government to send one of its people to take part in the important and sensitive decisions in Brisbane.

I do not believe that any other questions were raised in relation to the Ministry of Foreign Affairs, except the name, Sir. What is in a name, Sir? As the honourable Member says, "What is in a name?" A rose by any other name is just as sweet and the fact is that the nomenclature "Foreign Affairs" is the one that is used by the vast majority of countries, not only in the Commonwealth but in the world, and that is one of the

reasons, not the only one, why we have decided to change the nomenclature from "External Affairs" to "Foreign Affairs."

The question that the Resolution do now pass was put and resolved in the affirmative without division.

Hon. L. S. CRAIG: Order No. 4, Sir.

Mr. SPEAKER: Order No. 4.

SHIPPING (INCENTIVES) ACT, 1982

Order No. 4 was called — To move the Second Reading of a Bill to make provision for the granting of tax and duty incentives to certain shipping companies.
5.30 p.m.

On the motion of Hon. L. S. CRAIG, seconded Hon. Dr. R. L. CHELTENHAM, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 16 inclusive were called and passed.

On the motion of Hon. Dr. R. L. CHELTENHAM, 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 the motion of Hon. Dr. R. L. CHELTENHAM, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

VESSELS (REGISTRATION FEE) ACT, 1982

Order No. 8 was called — To move the Second Reading of a Bill to provide for the imposition of a registration fee on operators of certain vessels in respect of those vessels.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, in the 1980 Budgetary Proposals an annual registration fee was imposed on launches, boats and ships, including sailing vessels, which are engaged in providing passenger or cruise services or pleasure trips starting and ending in Barbados.

A Statutory Instrument was published amending the tariff book of the Barbados Port Authority and it made the budgetary fee of \$500 collectable by the Barbados Port Authority.

Subsequently it was decided, indeed it was always in my mind, but subsequently it was formally decided

that the licence fee should be paid into the Consolidated Fund and should not be part of the revenue of the Port Authority. Attempts were made to do this administratively, to collect it from the Port Authority, keeping the Port Authority as the collecting agency, but we have been advised that we need an Act of Parliament to deal with it.

The Bill now before the House is that Act of Parliament. It is an enabling Act of Parliament; the fee will be fixed by Regulation.

I now beg to move that the Bill be read a second time.
5.40 p.m.

Dr. R. C. HAYNES: Mr. Speaker, just one or two very brief questions. This emanates from a budgetary proposal which has been the subject of debate in Parliament, and, as I understand it, the Minister now seeks to have the funds derived from this charge paid into the Consolidated Fund rather than to the Port Authority.

I am wondering whether or not this is a very desirable step to take at the present moment, since, as I understand it, the Port Authority, with a significant drop in tonnage coming through the Port, has been having revenue problems. I wonder whether or not you might not by this Bill be simply even further weakening the financial position of the Port Authority at this particular point in time.

The second thing I would like to enquire about is this. I do not recall having seen the appropriate Order, and whether that Order was laid in conformity with the Provisional Collection of Taxes Act within the time framework, which I think is 120 days. We have had several budgetary proposals where, for one reason or another, there was an element of non-compliance with the statutory provision of the Provisional Collection of Taxes Act.

The third point is that, from what I can gather, there is a fall off in business in this area, along with escalating maintenance costs, and many of these operators are having some difficulty now in maintaining their operations.

I hope that comments, similar to what I made recently in respect of the mini-buses, will apply, because these persons form a very important adjunct to the tourist sector of Barbados, and anything done to increase costs in that area will not be in the interest of the industry which we are all doing our best to try to resuscitate at this point in time.

There is no point dealing with the principle of the Bill, of course, because that has been the subject of a

debate in Parliament and would be reflecting on a vote of Parliament, and I would not wish to deal with that.

Thank you very much, Sir.

Rt. Hon. J. M. G. M. ADAMS: But the people have paid the fee already for this year and for last year. What has the tonnage at the Port got to do with this Bill? What hardship is it? They have paid this fee for three years — 1980, 1981, 1982 — and as from next year this Bill provides they will pay it to the Treasury rather than to the Port. Do honourable Members really feel that the Port, where the revenue is \$80 million, \$90 million, is going to be affected by this. The wages at the Port alone are over \$40 million.

Do honourable Members really feel that the few hundred thousand dollars that you get from the Jolly Roger and the Ecstasy and whatever boats — I do not know how many boats there are — will break the Port. I hear the increase in wages at the Port alone this year is going to be \$2½ million. I really do not think that losing the revenue from 20 pleasure boats will make much difference one way or the other to the Port.

The question that the Bill be now read a second time was put and resolved in the affirmative without division.

On the motion of Hon. L. S. CRAIG, seconded by Hon. Dr. R. L. CHELTENHAM, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 were called and passed.

Clause 4 was called.

Hon. L. S. CRAIG: Mr. Chairman, I beg to move that Clause 4 stand part.

Rt. Hon. J. M. G. M. ADAMS: I beg to second that.

Dr. R. C. HAYNES: Mr. Chairman, having listened to the honourable Minister of Finance on his argument as to the meaninglessness of this tiny amount of money to the Port, I wonder if on a logical basis he would suggest that it has greater meaning to the Consolidated Fund.
5.50 p.m.

Now I do not know the exact status of the Consolidated Fund, but a logical extension of his argument would certainly be that it means little to the Port, but a lot to the Consolidated Fund at this particular point in time. He does not need to answer that, I would just like to make the observation.

Hon. L. S. CRAIG: I am quite sure, Mr. Speaker, that the Minister of Finance is not thinking in the same vein as the colleague for St. Philip South who saw \$40 million as no big thing. So what the Minister of Finance is saying is, what is a little \$200 000 if \$40 million means nothing to him. He is on a bad wicket again. I tell you you are playing too many wild shots; you are boxing wild.

Rt. Hon. J. M. G. M. ADAMS: The Government's approach to revenue is that the services which the Government has to support must pay for those services. In other words, people who benefit from the maintenance of the Careenage, who benefit from the permission given to cruise vessels to run to and from the Careenage or the Deep Water Harbour, wherever the cruise vessels may be going from, people who benefit from the fact that roads and street lights, that water and fuel are available at certain points in Barbados, must pay for those services.

The Government does not think it should give services to people free, especially services in the tourist industry, but this is the Government's responsibility, not the Port Authority's.

The Port Authority charges vessels for tying up anyhow, and that is the limit of what the Port Authority should get. It must get the port charges which the Jolly Roger pays. The Government must get some reasonable charge from these vessels to defray general expenses.

And also, Mr. Chairman, let us not hide it from ourselves, the Government must also be in a position to know who as an income earner is running a cruise service, a shipping service, renting out boats, renting out pleasure boats and so on.

These are matters which the Licensing Authority and the Commissioner of Inland Revenue are all interested in. This is why we charge a per capita tax on Jolly Roger passengers as well as require the licensing of vessels, and if you are going to license the vessels, why make them pay \$5 when you can make them pay \$500? The cost of writing up the receipt is more than \$5.

Dr. R. C. HAYNES: Mr. Chairman, I am grateful for that response which certainly has an element of logic about it as distinct from what was said on the Second Reading. All we are trying to do on this side is to bring greater discipline in fiscal matters and in the discussion on such matters in Parliament.

The question that Clause 4 stand part was put and resolved in the affirmative without division.

Clauses 5 to 12 inclusive were called and passed.

On motion of Hon. L. S. CRAIG, seconded by Hon. L. L. SISNETT, 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. S. CRAIG seconded by Hon. L. L. SISNETT, the Bill was read a third time and passed.

THE SUGAR INDUSTRY ACT, 1982.

Order No. 5 was called – To move the second reading of a Bill to make new provision for the development of the Sugar Industry and consolidate certain enactments related thereto.

Mr. L. E. SANDIFORD: Mr. Speaker, with your indulgence I would like to make an appeal to the Leader of the House not to

Mr. SPEAKER: Please.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, yesterday this Honourable House dealt at length with the sugar industry in the course of passing a Bill to facilitate the issuing of sugar bonds by Barbados Sugar Factories Limited, and to give meaning to the price support policy of the Government in relation to the sugar industry which was announced a few week ago.

Today, Sir, I have the honour to introduce what is really intended to be a major piece of legislation, really one element in a package of measures designed to ensure and to assure the economic viability of the Barbados sugar industry.

The legislation, Sir, is far-reaching in its importance and large in its scope, and perhaps I need to spell out at the outset precisely the aims and objects which we set out to realise.
6.00 p.m.

Firstly, Sir, the Bill establishes a Sugar Industry Research and Development Fund to be financed by a new levy, and at the same time it abolishes several existing sugar industry levies.

In the second place, Sir, the Bill defines what is to be considered a financial surplus arising out of the operations out of the sugar industry and prescribes the manner of its distribution. In the course of my remarks I will get into this, but we know that the industry has been characterised in the past by several conflicts between capital and labour arising out of the whole question of how do you distribute surplus profit arising from so-called "wind-falls".

In Barbados we had a crisis of 1957 in the sugar industry when we had a good crop and a good price and

in many years since then we have had conflicts manifested in industrial strikes. As a result of that there has been sharp differences of opinion which, at different stages, were not reconcilable with respect to what percentage of the surplus should be retained by the owners of the industry and what percentage should go to the workers.

The third major aim and objective of this Bill, Sir, is to consolidate and update a number of existing Acts scattered across the Statute Books and relating to the sugar industry.

Part I of the Act is in accordance with the conventional scheme of much of the legislation which comes before us in the sense that it is not more than an Interpretation section setting out clearly the meaning of "Barbados Sugar Factories Limited," the meaning of "ex-factory proceeds", the meaning of the expression "fancy molasses" and the meaning of the expression "sugar industry" as it has been used throughout the Bill.

Part II begins to address matters of substance and deals mainly with the Research and Development Fund, which will be the principal research mechanism, structure, and machinery in the Bill, and which will be financed by one of the two levies which will remain in existence.

This Research and Development Fund Levy will really be made up of 1.2 per cent of the ex-factory proceeds of the sugar cane processing establishments in the country and will replace the former Capital Rehabilitation Reserve, the Price Stabilisation Reserve and the Labour Welfare Fund levies.

The honourable Member for St. Michael South Central has on several occasions in this House, Sir, echoed the view-point of the Union with respect to the collapse of most of these levies, and I think the impression has been given that the levies are as still as relevant to the sugar industry in 1982 as there were when they were established 35 years and more ago.

I think I ought to make the point that the Capital Rehabilitation Reserve Levy, the Price Stabilisation Reserve Levy and the Labour Welfare Fund Levy were instituted 35 years ago throughout the English-speaking Caribbean and there were designed to address problems that had risen during the depression of the 1930s and World War II.

In several of the English-speaking Caribbean countries, since they have become independent in the 1960s and beyond, these levies have been collapsed, and Barbados as one of the few countries producing sugar in the region that has achieved independence, that has seen its agricultural sector diversified, it has seen the growth of our fairly sophisticated welfare and pension

Social Security system that it is still retaining all of these levies.

The point that I am making, Sir, is that with the passage of time, the changes in the agricultural and socio-economic sectors, these levies may be regarded as obsolete in many respects and as having outlived their usefulness.

Research and development, on the other hand, remains very essential in order to keep up with technological advances. If the industry is to maintain its viability and improve its performance, it is very important, Sir, that there be a continuing research on the many technical and other issues affecting the industry.

The Australian sugar industry, is a good illustration of the sort of handsome dividends that can result from investments in the area of research and development. What is proposed here, Sir, is that there be a Research and Development Fund Levy which will be one of the two levies which will be put in place of the other multiple levies that existed in the past.

Part of the reason why it is important that this question of research and development be approached in the way it is proposed in the Bill, is because it is clearly beyond the capacity of any individual grower to support the sort of research effort that is required in the industry. So what is proposed here, Sir, is that it be jointly financed by all producers.

The new provision, Sir, increases the amount of money available for research and development and also codifies the present informal arrangements within the industry in relation to research and development, and subjects them to governmental scrutiny. Now this point in relation to governmental scrutiny is important, because this Administration, is, without nationalising the sugar industry, seeking at every stage to increase Government's regulatory functions in relation to the sugar industry in the country.

We recognise, Sir, that even though it is not a nationalised industry, it is a national industry, and we feel that more and more the Government has got to take a leading role in shaping the direction in which the sugar industry goes and also the pace at which modernisation and other changes are brought about in the industry. So you will note, Sir, that Part II of the Bill in a way increases Government's control and scrutiny in relation to the sugar industry.

6.10 p.m.

The proceeds of the levy, Sir — here I am referring to the Research and Development Fund Levy — will be administered by an expert committee composed of Government, industry and worker representatives. In

addition, Sir, on the Committee we will have heads of research organizations involved in the different aspect of the sugar industry and leading members of the local scientific community. This Committee, Sir, will monitor the work programmes and allocate the resources, taking into account the specific conditions, constraints and needs of the Barbados sugar industry.

Dealing broadly with the levy, Sir, I wish to observe at this point that the only one of the old levies which will be retained will be the Sugar Workers Provident Fund Levy. All the other levies will be collapsed as a result of this legislation.

The Sugar Workers Provident Levy finances retirement pensions and sugar grants to sugar workers who are not eligible for benefits under the National Insurance and Social Security Act, Cap. 47 of the Laws of Barbados.

As you are aware, Sir, the Sugar Workers Provident Fund levy is fixed annually in accordance with the specific requirements of the industry and it is proposed, Sir, that it will gradually decline as the number of workers not covered by Social Security diminishes. Part 4 of the Bill therefore, Sir, is a restatement of the Sugar Workers Provident Fund Act, Cap. 271, consequent upon the repeal of the Sugar Industry Rehabilitation Price Stabilization and Labour Welfare Act, Cap. 270 of the Laws of Barbados.

Under the new arrangement, Sir, the sugar industry will be subject to two levies in place of the previous four. There will be one levy for research and development, about which I have dealt with at some length, Sir — this will be geared to the level of the industry's income — and there will be another Levy, Sir, — the Sugar Workers Provident Fund — which will stay in force only so long as it is required.

We feel, Sir, that from a national economic point of view, the new system, which is proposed here in the Bill, will remove inefficiencies in relation to the levies and inequities Sir, and that it will in addition make for better allocation of existing resources.

I now turn to Part 3 of the Bill, which is concerned with surplus sharing provisions.

It is commonplace, Mr. Speaker, that the sugar industry is categorized by violent fluctuations in production and income. The main purpose of the provisions contained in Part 3 of the Bill, therefore, is to provide a buffer for the effect of these swings, and to reduce the area of conflict between capital and labour over the division of the industry's profits.

And we are hoping to realize that objective, Sir, by defining quite specifically and clearly what is to be con-

sidered to be a financial surplus arising out of the sugar industry's operations, specifying in detail how it is to be computed and circumscribing the manner in which it is to be distributed.

The dissemination of the financial information required to be collected under the Act, Sir, will serve to make the economics of sugar industry more transparent.

I believe that this is a particularly important provision, because in the past, indeed for as long as I can remember, the Barbados Workers Union, as the workers' representative in the sugar industry, has always contended that they cannot accept the financial statements provided by the sugar industry because they have no access to the books and they do not accept the good faith of the so-called balance of the sugar industry, as they were referred to yesterday in the course of debate.

That situation will now be corrected, Sir, in the sense that all of the information, with respect to the cost of production, with respect to the quantum of earnings, will all be transparent, as it were, and there available for all to see.

Inasmuch, Sir, as the new Act under discussion will provide for participation by the Crown in any surplus, the Sugar Export Levy Act, Cap. 91A of the Laws of Barbados, will, as a result, be repealed.

The rationale behind the surplus sharing provisions ought to be emphasised, Sir, and it is that the factors of production, capital and labour, should first of all receive their basic returns.

I think we can agree, Sir, that the basic return to labour is really wages and salaries. These are included in the production and processing cost of the sugar industry and these returns will continue to be determined in the regular course in collective bargaining between management and union.

I want to make it very explicit, Sir, that the process of collective bargaining to determine the wages and salaries of the workers will not be interfered with or any way trespassed upon or circumscribed by this Act, Sir.

The basic return for capital, on the other hand, is a reasonable revenue from the investment in the land, building, machinery and equipment, and this is arrived at in the proposed Act, Sir, by multiplying the value of the capital assets by the normal rate of return defined in Clause 19 1(a).

Since, unlike the basic return to labour, receipt of the basic return to capital is contingent on the existence of a sufficiently large positive balance between operating

income and cost, provision must be made for deficits to be carried forward, and the Act specifically addresses itself to the whole question of carrying forward deficits in years that are lean years.

In the event, Sir, of a surplus after capital, and labour have received their basic returns and other costs have been met, the Barbados National Bank has first call to bring certain funds entrusted to it up to their value, expressed in constant 1982 dollars.

The principal revolving funds in the Act are so structured as to be inflation proof.
6.20 p.m.

These, Sir, are the Sugar Industry Capital Investment Fund, a carry over Sugar Financing Fund and a Small Holders Mechanisation Fund. The remaining surplus is shared by the Crown, the sugar workers, the sugar cane growers and processors in clearly set out and specified proportions.

The major aim here, Sir, is to assure the availability of at least a minimum amount of investment capital in order to modernise the industry and to establish rules for distribution of extraordinary profits.

In the course of debate yesterday, Sir, the principal spokesman for the Opposition as much as said that Portvale was unnecessary and that the modernisation that was done at Vaucluse and Andrews perhaps was excessive or ought not to have been carried out. I hope I have not misrepresented what he said, but this is certainly the way it came over in his agitated and declamatory delivery.

But the point has got to be made, as was very explicitly made in the McGregor Report, that there is a lot of obsolete equipment in the sugar industry, and that if we are to continue to maintain a viable and prosperous sugar industry we must invest major sums of money not only in repairing and replacing equipment, but even as far as putting down a new plant that was put down at Portvale.

I know it is fashionable to knock the so-called barons of the sugar industry, and in recent months they have come in for a lot of strictures for mismanagement and inefficiency, and so on, but as I pointed out yesterday, Mr. Speaker, I think perhaps we have gone a bit overboard in relation to knocking the barons of the industry because it is a fact that the sugar industry has served this country well, and it is also a fact that those so-called barons of the sugar industry have a lot of virtues; there are a lot of pluses which we can give them. As I pointed out, Sir, they are expert in the marketing of sugar, and as far as actual purchasing of sugar is concerned, from a technical viewpoint, they are the envy of many countries in the sugar producing world.

I did go on to make the point yesterday, in trying to bring some balance and perspective after the presentation of the honourable Member for St. Michael South Central, that in the past they had tended to operate the sugar industry like a cross between a social club and a secret society, that there was a need for the infusion of new thinking, there was a need to address to these problems in the sugar industry which have got not so much to do with the management of people but with the management of machinery, and that on the whole they have got to keep pace with the challenges and the requirements of the 1980s rather than the 1940s.

Having said that, however, Mr. Speaker, I think we ought to make the point that the Barbados Sugar Factories Limited is not the most irresponsible group in the country, as they were made out by some of the speakers yesterday, and I have every confidence that with increased Government scrutiny of the sugar industry, with an increase of the regulatory functions of Government, that with a new will and commitment to ensure that the sugar industry survives, and with this new legislation under discussion put on the Statute Book, this Bill, that we can look forward, with a little luck, to a revived sugar industry that will make us proud in the future, and do Barbados good in the way it has served this country well in the past.

As I said at the outset of my presentation, Sir, there are a lot of Acts related to sugar industry which are scattered across the Statute Book of this country, and we have taken the opportunity in this Bill to consolidate a lot of the Acts, Sir, to repeal those where repeal was necessary as a result of the proposals, and to make sure that the Act conforms to present day requirements. The consolidated exercise is set out in the Second Schedule to the Bill.

I just want to say in conclusion that we are hoping, as a result of this Bill, to improve the economic viability of this very important sector of the Barbadian economy, the sugar industry. We are hoping too, Sir, to modernise the industry, we are hoping to increase Government's regulatory functions in relation to it, and to address in a systematic manner issues of research and development which confront the industry, all with a view to bringing stability to an industry that has been characterised in the past by violent instability, by ups and downs, as they were referred to in the course of yesterday's discussion on the sugar industry.

Several amendments have been circulated, Sir. They are mostly dealing with form and not with substance. They are amendments that will tidy up in a way, without at the same time trespassing upon the matters of substance in the Bill, and at the appropriate time I will be seeking leave to introduce these specific amendments.

At this point, I want to move the passage of this Bill in its second reading.

Hon. L. S. CRAIG: I beg to second that and reserve my right to speak.

Mr. H. A. BLACKMAN: Mr. Speaker, yesterday I said that after 300 years, the sugar producers in Barbados still do not seem to understand that the sugar industry should be run as any other industry, as any firm in Bridgetown, as INTEL or any other industry you can name.

What has happened is that over the years the sugar producers have been allowed easy credit, and I am saying now that if the Barbadian economy was not in recession, if the other two strong earners of foreign exchange – tourism and manufacturing – were not down this year, this Bill probably would not even be here.

As I said, these people have been accustomed to easy credit, and if the Barbadian economy was afloat they would have gone on with that sloppy housekeeping. That is the reason I am glad that the economy is not as buoyant as it could be – in order to bring the sugar producers to their senses, and I will get back to the sugar producers in a minute.

6.30 p.m.

Hon. Dr. R. L. CHELTENHAM: On a point of order, I am sorry to interrupt my friend, the honourable Member for St. Philip South, but the point ought to be made that this Bill before us has been in draft for well over a year now. It is a direct outgrowth of the McGregor Report which was completed in 1979, so I think, in the interest of the House, he ought not to be allowed to proceed on the basis of a fiction. He ought not to build his speech on the basis of an untruth or false impression, and you would permit my interrupting at this point to correct him.

Mr. H. A. BLACKMAN: Mr. Speaker, I would be failing in my duty if in dealing with this Bill I did not speak about the hardships being faced by the small land owner. I have had many complaints throughout my constituency about what is happening to them, and I mean people with half an acre, an acre and an acre and a half – that type of person. What the small land owner is complaining of is that despite all the rhetoric of this Government, it seems as if this Government is planning to get rid of the small land owner. I am not saying that I am in agreement with it.

Hon. L. S. CRAIG: On a point of order, I must interrupt the honourable Member. I would like to draw to his attention that this Government has just made it possible to remove the last vestiges of colonialism by

bringing in the Tenancies Freehold Act, so don't say that. That was to help the small man own his plot of land or house. (*Asides*)

Mr. SPEAKER: Point taken.

Hon. L. S. CRAIG: The Speaker is in a position to know what to do and what to say. You cannot tell the Speaker anything. Keep quiet.

Mr. H. A. BLACKMAN: Mr. Speaker, as I said, the small land owners are saying that despite the rhetoric of this Government, the Government seems determined to get rid of these small land owners.

The land owners are being subjected to lashes on the left and on the right. Those who attempted to go into vegetable production, the first thing they say is that the discontinuation of the BMC pick-up service dealt them a severe blow. They have said that because of a bad marketing system, because of a bad extension system, and because very many of the estates are also going into vegetable production, and the estates provide a more reliable production for the hawkers and hucksters, that they are being squeezed.

Those who decided to go out of vegetable production and into cane agriculture, you would have heard them earlier this year, Mr. Speaker, because many of them said they will never go into sugar again.

If you recall, the honourable Member for St. Lucy said yesterday that he had decided not to go into cane, so what he knows is the truth. There are lots of small land owners who have decided that they are not going into sugar cane. I will say this, Mr. Speaker....

Hon. L. S. CRAIG: On a point of order. If the honourable Member would give way, I just want to keep him on a straight and narrow path. What hardship are you talking about in the light of them having a tractor scheme at their disposal.....

Mr. SPEAKER: I appreciate the Minister's anxiety, but the Minister will also have an opportunity to address the Chamber.

Hon. L. S. CRAIG: I want to keep him on a straight and narrow path.

Mr. SPEAKER: I appreciate this, but the Minister will also have an opportunity to address the Chair.

Mr. H. A. BLACKMAN: Mr. Speaker, let me say this: I do not believe that sending one harvester to harvest one person's field of cane and sending along the television to take a picture of that man's canes being

cut is an example of good harvesting as far as the Government is concerned. And I do not care how many times I am interrupted. I will continue to speak because I have come in here to speak.

Mr. Speaker, small farmers in this country contribute about 15 per cent of cane production. Do you realise, Mr. Speaker, that despite this significant amount of cane that they produce there is no reliable data being collected as far as those small producers are concerned? It is as though they are being forgotten.

What complaints have I got? Not only are they suffering because no reliable data is being collected on them, but they are also taking lashes as far as money is concerned. What they are saying is that when the Agricultural Development Bank was in operation, they could use their collateral to get money as a revolving fund in order to always have money, so that when the crop is finished they would have money to plough, plant and that sort of thing. They always had money.

What has happened since this Government has taken over, Mr. Speaker, is that this Government amalgamated the Agricultural Development Bank into the Barbados National Bank, which meant that when the small cane farmer got a loan, what he used as collateral was now tied up, so he does not have the revolving fund to operate his loan. That is what they are saying.

Let me go further, Mr. Speaker. When the Government amalgamated the Agricultural Development Bank with the Barbados National Bank, that was a fundamental error.

Ask any small farmer in this country and he will tell you that small farmers are a special breed of people. Banking for small farmers requires special knowledge and you require experts in that field. This fact has been recognised by Barclays Bank, which has a Barclays Bank Farm Loan plan for small land owners. This has been recognised, but it has not been recognised by this Government.

My information, Mr. Speaker, is that only forty small land owners out of nearly 2 000 have been effectively serviced by the Barbados National Bank, and I am not speaking about at this present time; I am speaking about when things were going good. What happened is this, Mr. Speaker — and as I said, I am not speaking about right now when things are on a downward trend. I am thinking about when things were going good — there was always difficulty for the small farmer in obtaining credit from the Barbados National Bank.

As you would know, Mr. Speaker, there are many small farmers in St. Philip, which probably gets the least rain of all the parishes in Barbados. The farmers in St.

Philip operate at high cost because there is not much rain falling in St. Philip, so they have to buy extra things in order to get certain canes grow and in order to get money from the production of these canes, because the rain is not there.
6.40 p.m.

So these people are complaining, and if they are complaining, I have to come in here and ventilate their complaints. I am sure you agree with me, Mr. Speaker.

I would state my position now on mechanisation as well. Let me say at the outset, I am not against mechanisation. I believe that in the process of time, if labour is not forthcoming in the industry, the industry, will have to be mechanised.

But what has to be realised is that mechanisation costs that used to be variable have now become fixed, and your cost will go up. My view is that mechanisation should be phased in and not just gone into in one sudden jump. That is what I am saying, because, as I said, the cost have gone to a fixed cost and that could very well carry up the total cost.

I will go further, Mr. Speaker. Yesterday I mentioned the nature of sugar. Barbados sells about 54 000 tonnes of sugar to the European Common Market and what I mentioned yesterday was that although it is a secure market, the price is determined by the conditions in the EEC itself, both the economic situation and the supply and demand situation.

Because of this fact, Mr. Speaker, it could very well be that although it is a secure market, we might find ourselves selling sugar at a lower price than we are producing it, because, as I said, the price that you can get for it has nothing to do with how we can produce it. It is determined by conditions within the EEC.

I will go further, Mr. Speaker, and say that we are allowed to sell about 70 000 tonnes on the free market. But if you understand the nature of the free market — and that is why yesterday I asked if the Government and the sugar producers had understood this.

I am glad that the honourable Minister of Agriculture just said that the surplus sharing mechanism in this Bill is to buffer and counter the swings in sugar prices. He admits that there are swings in sugar prices.

You will recall, Mr. Speaker, earlier in this Parliament I mentioned, and I will mention it again, that if in one year you have a windfall, and you are accustomed to collecting \$80 million, and in that windfall year you collect \$120 million, if in the following year you go back and you collect \$80 million, it only becomes critical if you had planned on another windfall — and a windfall is not anything you plan for. A windfall is exactly what it is, a windfall.

You admit that there are swings in the price of sugar, which means that you expect that one year it will be up and the next year it will be down, but the year that it goes down everyone holds their head in front there and shout.

The honourable Minister just said it that this surplus mechanism is a buffer against those swings, so I am saying that as long as the sugar producers and the Government realise that the free market price of sugar is always likely to be up and down, always likely to be up and down, they would plan as any industry in Barbados plans, any firm in Bridgetown plans, because when you have a surplus you put aside some for when you go down. That is what I am saying about the sugar producers.

Cane fires, Mr. Speaker. I have heard comments made about "there seems to be someone trying to bring down the Government by burning the canes." Mr. Speaker, I have already stated the position of the Democratic Labour Party on cane fires in this Honourable House. I do not like cane fires and I do not think that any person in Barbados can be in agreement with anyone burning canes. But I keep asking myself, Mr. Speaker, if someone was about to bring down the Government, why is it that 98 per cent of the canes that are burnt are burnt in the crop season?

If you want to bring down the Government, why do you not burn the canes in October and November when you know they cannot be reaped. You find yourself asking this question. Why are they not burnt in October and November? Why are they burnt in February and March during the crop season? That is why I do not believe that the entire trouble is that someone is trying to bring down the Government. There has to be something else. There has to be some other reason.

Hon. L. S. CRAIG: Sir, on a point of order. I really did not want to interrupt the honourable Member. Really I will have to suspend. He is really hurting my head with this nonsense. When you can sit in the Chair and listen to all of that, you really want a medal, you know. Nobody on this side has ever accused that side of trying to bring down the Government by way of cane fires.

Mr. SPEAKER: On what does the honourable Minister rise?

Hon. L. S. CRAIG: Sir, I rise on a — (he is accusing somebody on this side) — on a point of order, Sir. He is accusing his own members of saying that they are assisting with cane fires to bring down the Government. You are accusing your own members. Do not do that to your colleague. Gracious me! If the subject is too big for you.....

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, I beg to move that this sitting be now suspended until 7.45 p.m. I cannot take him no more, until 7.45 p.m.

Mr. SPEAKER: This sitting now stands suspended until 7.45 p.m.
6.50 p.m.

On Resumption:

Mr. SPEAKER: This sitting is now resumed. When the suspension was taken, the honourable Member for St. Philip South was addressing the Chair. He may continue if he so desires.

Mr. H. A. BLACKMAN: Mr. Speaker, as I was saying before the suspension, I do not believe that this Bill has taken the small farmer into account enough.

The small farmer, Mr. Speaker, usually most of them in fact, are settled on marginal land — most of them — unlike the plantations that have fairly good land, even if some of it is marginal. Most of the small farmer land is marginal land, and thus, as it would seem, to produce a certain amount of canes on marginal land calls for more inputs in order to produce the same amount of cane as you would produce on good land. So straight off you can see the hardship the small farmer is suffering.

Not only that, there is the problem of risk taking. Because of the small plot of land that the farmer has, and he cannot go into any big capitalization by borrowing any large sums of money, because he is not sure, as none of us is sure, how the market will turn out. That is another disadvantage that the small farmer is suffering under.

I believe that the Government should offer some incentive to those small farmers. I believe it could be in the way of telling them that if you can produce such and such tonnes of canes on your half acre plot of land, then we will remove such and such a tax or something like that. This is what I believe, and this is what they have been suggesting as an incentive. I cannot tell the Government what to do, I am only suggesting something.

Mr. Speaker, this Bill as the honourable Minister of Agriculture said, is a major piece of legislation, and I would have thought that quite a bit in here would have been on the small farmer. But I believe that the Government in its wisdom knows what it is doing.

Yesterday, Mr. Speaker, I mentioned the structure of the sugar industry and I believe that there was some statement from the other side which tried to give the misimpression that I was speaking of black and white. It is a fact, Mr. Speaker, that in Barbados, white people own most of the sugar land in Barbados. I do not think it

is a question of black and white. We know who owns the land.

The point I was making is this. In most of the industries and firms in Barbados, and probably in the world now, there is something called worker participation. What you do is to try to get the worker to become part of management, and there is some benefit in this system; for the simple reason that if you make the worker become part of the management structure, the amount of money you pay him will be then conditioned by the profitability of the firm or the industry.

In this way you could very well reduce the cost of paying out money in a bleak year, because the man has become part of management structure. So in a year when the proceeds are down, he will take a cut in his money and then when they are up a surplus, he will get his salary in accordance with the surplus. This is where worker participation comes in.

I believe, Mr. Speaker, that the sugar industry is lagging in this respect. As I said yesterday, you hear of complaints that you do not get any labour in the sugar industry. This is the common complaint — people are not going into the sugar industry, and we have to look and see why.

We realise that the sugar industry is hard work. Some people might even go so far as to say that it is demeaning. But I believe — because the money in the sugar industry is fairly high — I am not saying that it is large, I am saying that it is workable — that if you want to attract workers into the sugar industry, you will have to give the workers some sort of incentive.

You have to make him feel just like the teller at Barclays Bank or any one of the other banks. Imagine that after a few years that they will grow up to be loan officers, to be supervisors, or then to be managers. I believe that if you go into the sugar industry, after a while you want to put down the fork and the hoe, and you want to sit down on the horse as well.

This is a point that has to be looked into and I know that there are people over there that share this view. I know this.

Mr. Speaker, I do not believe that in these debates we should be getting into arguments about white and black, because if you give the impression that one side is for the white and the other side is for the black, you are defeating the whole purpose of this Assembly. It is that we see things a certain way and we are hoping that the other side sees things the way we see them.

We have people who, whenever this debate comes up, or a debate that entails the different colours and that

sort of thing, they seem to be throwing the insinuations that this side over here is against one colour and the other side is for this colour. This is not true; this is simply not true.

I do not believe that a Government, or any party which has run a Government for fifteen years, could come down on any one side in Barbados. Barbados is a mixed community and you have to treat every person exactly the same. And that is why I am calling for a change in the sugar industry exactly like the changes being made in the banks and in the firms here.

Mr. Speaker, profit sharing. I will have some more to say about this when we come to the relevant section of the Bill. But there is one part of this Bill that I have some reservations about because in this Bill there is a section that says that the surplus will be distributed in a certain manner.

I believe that if you decide the manner in which the surplus is going to be distributed, this may very well take away the collective bargaining powers that should go on with unions and Government as to how money should be distributed. I suspect that this is going to cause some sort of controversy.

I believe that if you set a limit, if you say that of the balance, 5 per cent should go such and such place, or should go to the workers, it means that what you have effectively done is to say that you cannot get more than 5 per cent of the rest. So there is no sense bargaining any more, because don't care how you bargain, 5 per cent is yours.

But as I said, Mr. Speaker, I will have a lot more to say when we go through the relevant section of the Bill. For the time being that is my contribution to this Bill.

Thank you very much. (*Applause*)

Mr. M. A. KING: Mr. Speaker, the Government has presented this Bill as a major piece of legislation and one would expect that the intention was to create some radical reform in the sugar industry.

With all the talk which we have been hearing about the problems and woes of the sugar industry, we would have imagined that the legislation, when it came, would have reflected some new dimension in thinking perhaps and show some areas of radical reform in the sugar industry.

But when one looks at the Bill and analyses it in detail, one does not see any dramatic new dimensions or proposals which can have the effect of reorganizing or refurbishing an ailing industry. In short, Mr. Speaker,

there is nothing in this Bill, which I can see, which gives any new light to the sugar industry.

Now what the legislation in essence does, is to consolidate certain aspects of the law in relation to the sugar industry. There are some new areas, like the area dealing with the surplus sharing provisions. What the Act does, as the Minister said, is to collapse some of the levies which existed other than the Sugar Workers' Provident Fund Levy. So we have the collapse of levies which would have provided funds from capital rehabilitation, we have had to collapse funds which would have provided funds for price stabilisation, we have had a collapse of the Export Levy and the Labour Welfare Fund. The surviving one is the Provident Fund.

7.55 p.m.

What has happened in relation to the legislation which has come before us in recent times is that you had the collapse of some levies and the reintroduction of other levies. You have in this Bill itself the reintroduction of a levy to provide for a Research and Development Fund, and we are still in the process of debating an imposition of a levy to provide for price stabilisation. To use the Minister's words yesterday, he said the measure which we were debating was in fact a price stabilisation mechanism. So that in essence what we have then is the collapse of certain levies in the form in which they were established and a re-establishment of levies redirected for some of the same purposes.

One would have thought that the problem with the existing levies — the Capital Rehabilitation, the Price Stabilisation and the Labour Welfare Fund — was not so much the structure of those levies and the problem of discontinuing them and starting others, but the problem of seeing that what funds were connected under those existing levies were properly administered and that the investment of those funds would have been in securities which were worthwhile, because I believe that one of the problems of the existing levies was that the investments were in some very low interest yielding investments. That problem would be corrected not by the abolition of the levies but by investing the funds, or making the provision for investing those funds in higher interest earning securities.

The problem was that there was need to dispose of the money which was in the levies, so that the simple way of doing it was to collapse the levies. But the essential point I am making is that here we have now the same kind of levy situation being re-introduced in what we are being told is a very new approach to the problems of the sugar industry.

That underscores the point which I made at the beginning, that the Bill is doing nothing dramatic to the industry, and I cannot see for the life of me what new

life is being breathed into this industry as a result of this Bill before this Honourable House.

As I said, the new provisions of this Bill provide for this Research and Development Fund, which is to be established, and provides for surplus sharing provisions. When one looks further at the legislation that this Bill repeals, one sees placed in statutory form the approach of the philosophy of Government in relation to agriculture as a whole.

From time to time we have heard statements made by the right honourable Member for St. Thomas to the effect that every attempt should be made to reintroduce sugar agriculture fully in Barbados. He has paid scant regard to the programme of diversification of agriculture, which we think is a programme which should be given priority in Barbados. I believe, in this regard the right honourable Member for St. Thomas differs from his Minister of Agriculture who, I believe, would wish to see attention being paid to the diversification programme and to see it developed in the way in which we in Barbados would want to see it developed.

The Bill gives statutory justification to the policy of the Minister of Finance, because it repeals the Miscellaneous (Food Production) Control Regulations 1975, which removes the compulsion for plantation owners to plant a certain amount of their acreage in food crops. So what we have is a statutory enactment of this emphasis away from diversification.

It is pointless, in my view, to make the point that you cannot grow all you need in Barbados. Obviously, you cannot grow all you need in Barbados. Countries all over the world import foodstuffs from abroad, even those which can produce their own food at home import foodstuffs of some kind from areas abroad.

We cannot produce rice, but that does not mean that we should not make an effort to provide food which Barbadians eat. What is wrong with potatoes, yams and eddoes and things of that sort? What is wrong with the production of beans, cabbages and carrots and onions? These are the areas in which a dimension in agriculture has to be developed, and it is pointless to think in terms of turning Barbados into one large sugar cane plantation, where all that is grown is sugar, sugar, sugar cane and nothing else.

You see, in the final analysis the price of sugar is not something which one can depend on. First of all, you have no control over the price which you are going to get for sugar. Secondly, the world prices can be so depressed that you have for ever to be depending on support prices in Commonwealth Sugar Agreements, sometimes in price support given by the United States

and other areas, and now the domestic price supports. Wherever you turn in relation to sugar you are looking for a support price mechanism.

One has to consider how it is that in an industry so vital to the economy of Barbados, as has been said, an industry of which has been said, in the words of the honourable Member for Christ Church East Central — and I am not quoting him exactly — if the sugar industry is not prosperous, Barbados is not prosperous; it seems a bit of a twisted circle, if you will pardon the metaphor, that you have an ailing industry which you continually have to support, and that same industry is so vital to your survival as a nation.

We have to think seriously about this industry. We have to look to see what new dimensions, what new proposals can be introduced to make the industry something worthwhile. This Bill does not do that, it does not deal with a lot of fundamental problems in the industry, some of which have been mentioned by the honourable Member for St. Philip South. It does not deal with the problems of the small farmers. Neither the Bill which we are debating now nor the one which we debated yesterday pays any regard to the problems of the small farmers.

The control of the industry and the management largely is in the hands of Barbados Sugar Factories Limited. The large land owners, the large shareholders in industry, it is they who, if the proposals which are before this House come into effect, in the final analysis will control and manage the industry, will control and manage the funds which are available to the growers in industry, which include the small farmers. The small farmers will for ever be beholden to Barbados Sugar Factories Limited and to the large vested interests in sugar in this island.
8.05 p.m.

So the measures which we are doing deal with an industry which, in the final analysis, does not take into account the concerns of those many small farmers who themselves contribute, and have contributed, so much to the development of the sugar industry in this country.

If we look further through the legislation, we see that in it there is no provision for the regulation of the conditions of employment under which those who work in the sugar industry have to perform. The point was made by the honourable Member for Christ Church West yesterday that he is one who believes in talking about the rights of women. Facilities are not available in the sugar cane field for the women in particular who have to work in the sugar industry.

It is areas like these on which we would have thought that some emphasis should be placed if you are

dealing with industry and in providing legislation which deals with the sugar industry as a whole. We would have thought that provisions would have been included to determine what sort of conditions should exist in that industry and what are the minimum standards which the people who work in it should be expected to enjoy, and the minimum standards which those who manage and organise the industry should be expected to provide for those who work in it.

Mr. Speaker, in the legislation itself, we see that there is no provision made, for instance, for the establishment of any agency which would keep an overview of the critical problems of marketing in the industry and the problems of price stabilization as a whole.

What I do not understand is why it was necessary, when you are introducing legislation to deal with the problems of the sugar industry, to introduce two separate Bills which would deal with the problems of the industry, and why could it not all be included in one Sugar Industry Bill. (Hon. Dr. R. L. CHELTENHAM: One is an interim measure.) One got the impression that these were not interim measures. I got the impression that this was a comprehensive Bill dealing with the problems of industry. (Asides.) I do not think the bonds are any interim measure.

We have recognised the position that the sugar industry is one where the price is capable of such great ups and downs, so that problem of the ups and downs of the industry has been with us for a long time, and the industry is characterised by that problem. The Minister himself said that.

So if you have an industry which is characterised by these problems of violent differences in price and problems of that kind, where we have always needed some sort of price stabilization mechanism for the industry, it would seem that it would be tidy to include in this major Sugar Industry Bill all the provisions which would deal with the problems of price stabilization and things of that sort, matters which relate to the industry.

They are provisions which will be used and which will come into effect when the time is appropriate, so that when the time is inappropriate the provisions would still have been there. It would seem to me that if we had all these measures included in one Bill, for instance, the problems which surfaced yesterday in relation to the structure of the Committee or the structure of the agency which would administer the bond issue, with that could have been included an agency which would deal with the problems of the Research and Development Fund and which would administer that Fund, because in this legislation itself we have provisions for setting up a Committee which will administer and control this Research and Development Fund.

It seems to me that it would have been so much tidier to have one Sugar Industry Bill which would have addressed all these problems, which would have established a Committee which would administer all the funds which are being collected in the sugar industry with a view to servicing the levies and the purpose for which the levies have been established.

I can assure the honourable Minister that this is going to be no interim measure, the problem of price stabilisation. It is going to be with us as long as we have a sugar industry in this country.

In relation to the surplus sharing provisions, we take issue, Mr. Speaker, with the provisions as they stand. The honourable Member for St. Philip South has made a point with which I agree, that it interferes with the process of collective bargaining. It has the effect of interfering with the process of bargaining in the industry.

The other points which I would like to address on this issue relate to what I consider to be the inequity which will result to the workers, because of the method of calculating the surplus.

In the Bill itself provision is made for the carrying forward of any deficits which the industry has, so that that is a position which is in contra-distinction to a position today, for instance, where if you have a windfall in the industry, you deal with the problems of that year as it stands, because in bargaining in the sugar industry, let us face it, the results are largely dictated by what the sugar industry owners want. They have access to all of the information in the industry. Unions who are bargaining on the other side do not have access to the information which is available to the plantation owners, so that the result of collective bargaining in the sugar industry is never really and truly as disastrous as the sugar industry owners would have us believe.

In the years of windfall profits, so to speak, the windfall profits are known and the unions and the industry are free to bargain, and the unions are free to state their position and to maintain their position in situations of windfall where the massive profits which accrue to the industry in successful years are known.

The provisions of this legislation would put a brake on that, and I would imagine that the Minister will say that all that is in the interest of providing an equitable situation where you take into account the many bad years, you were able to carry forward deficits, so that in windfall years you take that into account.

I would venture to predict, Mr. Speaker, that when you look at the situation in that light, there will never ever be a situation where there is any surplus available

for distribution to the workers, because the deficits being carried forward from year to year will be so massive that whenever you reach a point where you have a surplus, a windfall, it will never in fact be effective.

And when you add to that, Mr. Speaker, the fact that provision is made for the inclusion of depreciation, when you use depreciation as an element, that always tends to weigh the position against the interests of the workers in this sort of calculation. Depreciation and revaluation, revaluation in Section 17(3).

8.15 p.m.

The other point about the revaluation process is that the legislation itself does not tell us how the revaluation is to be determined. How are we to be satisfied as to the correctness of any revaluation? Who has the ultimate control over that? Does the Minister of Finance or the Director of Finance and Planning, for that matter, have any input, or any control, over the way in which a revaluation of machinery and equipment in the industry is to be done. The Legislation seems to me to be silent on that specific point.

So in relation to these surplus provisions, Sir, it seems to me that if you take into account the provision for depreciation, revaluation of machinery, the problems of deficits being carried forward, then, inevitably, the situation will be reached where there are never ever any surpluses available for distribution to the workers.

Altogether it seems to me, Mr. Speaker, that the Bill leaves a lot to be desired. It creates no new dimensions in the industry, it repeals a lot of legislation which has been on the Statute Books, it consolidates some of the legislation which has been on the Statute Books, and the new provisions, which largely relate to the surplus sharing provisions and the creation of the Research and the Development Fund, in my view, add nothing to the development of the industry, and adds more to the problems of those who work in the industry, the employees in the industry at the lower end of the income ladder, and create problems for them in getting some of the benefits from the sugar industry.

Dr. R. C. HAYNES: Mr. Speaker, for some time, in fact for several months, we have heard that a revolutionary Sugar Bill was being brought before the House, a Bill which would regulate many practices within the industry, a Bill which would normalise industrial practices within the industry, a Bill which would restore morale within the industry, and a Bill, Sir, which would lay the basis and the groundwork for the rehabilitation of the industry.

Sir, what we have been presented with is no doubt a major disappointment. The Bill, Sir, as it stands, can be

classified as a most significant piece of anti-worker legislation in respect of the sugar industry.

In Part II, the very first section of the Bill, relating to the levy, slaps on a levy of 1.2 per cent on the ex-factory proceeds of sugar cane processing establishments — and then it proceeds to set out the purposes for which that levy would be used.

What it concedes, Sir, and what it fails to say, is that for some reason or another the Government did not find it possible to accept the initial McGregor Report recommendations. If my memory serves me right — if challenged, I think I have the document somewhere around — the original recommendation was 1 per cent and this has now been increased to 1.2 per cent in this particular Bill.

The Minister has not told us why he has found it necessary to increase it to 1.2 per cent. What that also does not speak to is what has happened as a consequence of the collapse, as he called it, or the abolition of the previous levies.

We all know, Sir, that those levies were established for particular purposes. One of them, Sir, was for the interest of the sugar workers. The second was to help even out the prices due to the fluctuations in the price obtained for sugar in the international markets. The third one, Sir, was directed towards a process of maintaining and improving the capital structure of the industry and the fourth dealt with other welfare provisions within the industry.

They had clearly defined roles and, indeed, Sir, there is a substantial amount of evidence that perhaps with the exception of the Price Stabilisation Fund, because of the protected markets within which sugar from Barbados was sold, whether it would be in Canada — I think they had some element of protection for fancy molasses and so on in the Canadian market, in the Commonwealth Sugar Agreement and under its successor, the Lomé arrangements in the European Economic Community — it was reasonable to assume that the Price Stabilisation Fund perhaps not long after its inception was to some extent obsolete.

Insufficient use, Sir, was made of the Capital Rehabilitation Fund. Indeed, Sir, it is of interest to note that the abolition of those funds do not in anyway mean that other mechanisms are not being introduced into the financial structure of the sugar industry to perform the same functions which those levies performed.

I refer, Sir, to the new straight line method of depreciation within the sugar industry which would certainly go a long way to meeting the same objectives as

the Capital Rehabilitation Fund. So there has definitely been no question of a collapse, there has been a "collapse" in name, but not a collapse in terms of the financial provisions within the industry in order to have the same effect of those funds.
8.25 p.m.

I am saying that the main reason for the collapse of those levies was to allow the Minister of Finance to put his hands on some \$24 million last year to give the Barbados Sugar Factories Limited a non-refundable gift.

And now, for the first time, Sir — I have to check the legislation on this, because this debate is going to continue — I don't know under what authority he did it; I will have to investigate the various Acts particularly the Sugar Industry Rehabilitation Price Stabilization and Labour Welfare Act to see whether the Minister of Finance had the authority to do that before he came inside here and repealed the legislation under this particular Act.

Indeed, Sir, there was no parliamentary notice given of that very important step in the industry, and when....

Rt. Hon. J. M. G. M. ADAMS: On a point of order, Sir. I want to defend my predecessor. It is true that he took up \$3 million in July 1976, before the election, and gave to the sugar industry without consulting the workers or giving the workers any, making sure that only the plantations got it.

But I believe that perhaps it was a necessary step then, although it did not help him, because he still lost the election.

That is the only case that I know where the Minister of Finance ever took any money out of the funds and gave to the sugar industry.

Dr. R. C. HAYNES: Mr. Speaker, I continue. I want to look very carefully at the legislation establishing those levies, because in fact they preceded independence, the independence of Barbados, and I am going to get a firm legal opinion as to whether or not the Minister had the authority to dispose of those levies prior to coming to Parliament. That is a matter that would have to be subject to legal scrutiny.

Now, the question, Sir, of the abolition of the Sugar Export Levy Act. That Act was applied in a year when there was a massive surplus of earnings in the sugar industry, and there has always been a lot of talk over the past five years — I have seen it about six times in E.L.C's column, no doubt probably fed that kind of information by the honourable Minister of Finance — talk about \$30 million, sometimes \$40 million, and sometimes \$50 million extracted from the industry in that particular year.

Sir, the Central Bank itself has produced detailed information showing very clearly the total amount of money that has been extracted from the industry by the various levies over the years and the amount that has been put back into the industry in one form or another, and it just about balances out.

So it is quite untrue to say that the sugar industry has been called upon over the years to provide continuing budgetary support for the population of Barbados, although, of course, it will have other.....(Asides)

We will deal with that later in Committee. Anyhow, (Asides) we will see. Why don't you talk about the amount of money that was spent on the bulk storage facility. Talk about the \$13.6 million which it was recommended that you should make available through the Barbados National Bank last year out of one of the funds. Talk about the \$2.8 million relating to the carry over stock financing facility. Whether he did it or not, I do not know what you did with the money. I do not know, that is a matter that will have to come out in this debate.

Anyhow, the point is that if you net it out over the years, it is quite untrue to say that through those levies the sugar industry has been supporting other sectors of this community.

The sugar industry, Sir, has certainly provided a base for the development of Barbados in many respects. For example, it has been a major contributor to the development of certain manufacturing expertise, to sustaining the development of firms such as the Barbados Foundry Limited and to various other types of activity in Barbados. But it is quite untrue to say that those levies have ever been a major charge on the industry.

Now, Sir, on the question of research and development. A big song and dance is being made of new mechanism research and development. Let me tell you something. There is obviously going to be the need for continuing research in the sugar industry, but Barbados has had a good track record in the area of sugar cane research before this particular Bill came before this House, not only research into different types of sugar cane, research in the area of entomology, research even in the area of the type of mechanization that would be most useful in the sugar industry.

I believe that we have reached the point where some of the equipment actually developed here has been sold elsewhere. I cannot remember the country now, but I think a country somewhere in the Far East (Asides) In Indonesia. We are actually an exporter of equipment actually developed out of research in Barbados.

So it is nothing new, Sir. All that this part of the Bill contains is to say that instead of financing it one way, we will finance it through a 1.2 percent levy on the ex-factory proceeds on sugar cane. There is nothing revolutionary about that.

In fact, the only thing that can be revolutionary about it is if, perhaps, the funding of the research could attract additional funds from research organizations, or whether more basic scientific research could be indulged in, and whether or not the money and the research base which will be deployed in that exercise would extend not only to sugar, but would also extend to other areas of agriculture.

After all, the information that you get into research, into soil, and various technological constraints in relation to the use of the soil for cane, that is the same type of knowledge that is basically transcribable and usable if you have a slightly different approach in policy.

Sir, this Bill, for example, really does not do anything to deal with the question of the marginality of plantation operations in Barbados. I use the term "marginality" for a particular reason, since the term "marginal" can be defined in different ways. Let us define it in terms of location and let us define it in terms of rainfall, where you are dealing with the St. Lucy and St. Philip areas.

8.35 p.m.

One would have thought, Sir, that in a Bill of this kind, where it is recognised that the marginal nature of those areas constitute one of the major problems in the industry, and in fact a major bone of contention as to whether or not their inclusion into the total production of sugar either enhances, on the one hand, or reduces the viability of the industry, some consideration would be given to this area.

There are those, Sir, who believe in the critical mass theory, which we heard repeated — I cannot say advanced or initiated — by the honourable Minister of Agriculture yesterday, who believes that it is those marginal lands that are essential if you are to generate enough sugar production eventually that you will reach the stage where you will cover your cost of production and come out on a profitable basis.

But I must say this, Sir, that there is also a contrary view, which I rather subscribe to, but I have an open mind on it, and that is, whether you can increase the productivity in those areas that are best suited for sugar production and you can compensate by using your marginal lands in other ways, so that the net impact on the economy in terms of the foreign exchange earnings versus savings would probably be the same.

I do not know of anyone so far, who, except on a theoretical basis — and make no mistake about this, that the doctrine of critical mass in relation to the sugar industry is largely a theoretical argument, because when you think of marginality, not only in terms of location and rainfall, but when you think of it in terms of the operational level, which might well determine whether or not an estate in a low rainfall area would be a successful operation, it may be a management factor that might be involved in the factors that make it marginal rather than the location of the estate.

I would have thought, Sir, that since this is such a fundamental concept, since the concept of critical mass is so fundamental to the argument of the honourable Minister of Agriculture, that somehow you would have found it fit to include in this Bill specific provisions to deal with this, apart from what I think is probably a potentially dangerous area — the diversion of profits from the more productive to the less productive areas. Again, that is an area of argument.

But where there can be no argument is that in Part III of this Bill there is a distinctly anti-worker bias built into this legislation. It is a serious matter and I think it is going to be a serious bone of contention in future wages negotiations between the Sugar Producers and the Barbados Workers' Union, because what you have done by this Act is that you have obliterated, with one fell swoop, the bargaining process in relation to surplus earnings.

Just remember, and I state this now, that that decision is bound to have its repercussions in the attitudes and the levels of wage increases demanded by the workers over the years.

You have already had the experience this year when, as a consequence of dealing with the existing levies and the allocation of the proceeds of those levies in the manner in which it was done, you know perfectly well that that was an important element that entered into the bitterness relating to those negotiations. So if you have problems in the future, remember that this Bill has partially created those problems.

One of the reasons why the Barbados Workers' Union has always been most reasonable in its approach to negotiations with the Barbados Sugar Producers was because they, like the owners, always looked forward to the days when they would recoup by surplus.

So do not think that you have solved anything by this piece of legislation, you are likely to make the recurrent two yearly wage settlements more difficult to reach. I hope that the message has got across.

The second point, Sir. At today's costs, if you look at the computation of how that surplus will be arrived at and

how it will be disposed of, you would see that when you take factors such as land and buildings — this is an area of very high appreciation at today's rates of inflation, land and buildings, particularly buildings — machinery and equipment at book value, using the depreciation rates under the Income Tax Act, and then the ex-factory proceeds minus the levy imposed — the levy is subtracted before you start calculating the surplus. That is also taken off the top — then, Sir, this whole concept of revaluation of machinery and equipment to which Section 2(b)(ii) refers, here again you are introducing a very dangerous concept.

Yesterday I mentioned the utter madness of building Portvale factory in the face of a recession. I did not discuss the question of renewal of factory elements and so on, and factory machines. I was speaking about the timing, the amount of money and going against the advice of people of how it should be done. But when you add an investment like Portvale into the capital deployed in this exercise, and when you get that asset revalued, you will see that when that is taken into consideration that very little will be left, and worst of all, even if that was confined to the year of the surplus, you might find yourself in a situation where the net amount to be shared out to the workers and the primary producers and the small growers would be very small.

8.45 p.m.

And when you build into that the concept of carrying forward all losses, losses, of course, which could be accentuated at book value, because of those very components in your accounting system, you will probably find that you might never ever in book terms ever have a surplus in Barbados for anybody to derive any benefit from as far as the workers are concerned. But, of course, the owners of capital in the industry would derive maximum benefit from that, because they are protected by various factors that would have gone into consideration, factors such as depreciation, renewal of plant, revaluation and so on.

So therefore, Sir, I think this piece of legislation is definitely anti-worker; I think it is going to lead to a further deterioration in the morale of the sugar workers, and I think that it is ill-advised to bring this kind of legislation before this Honourable Chamber at this point in time.

I really believe that there would have been some kind of formula which they as a Government could have come up with that would be fair to the primary producers, whether they be small growers, whether they would be small plantations, peasant farmers, whether in the large farms and fair as well to the manufacturers in the sugar industry.

The way how this is computed and calculated, I think Government needs to have a further look at it. Let

me give you an example: if you take the losses of last year which were assessed at \$40 million, if you take the losses of this year, which will probably be about another \$40 million — I have not heard the figure put on it yet, but let us say it is \$40 million — that is \$80 million in losses. Now let us say that next year you get another \$40 million or \$30 million in losses, that is \$110 million. Let us say you get a massive surplus in 1985 and you have carried forward the losses of 1981, 1982, 1983 and 1984 into 1985, and where those losses would be computed on the basis of the allocations of capital and depreciation and revaluation as set out in this document, it means that you have to wait until 1995 or the year 2000 before you can get a surplus where the workers can get one single cent.

So that whole formula that is in this legislation needs to be looked at. And I do not believe that the Minister of Agriculture could have had anything to do with the preparation of this. I do not know whether or not he looked at it. I can see the Minister of Finance producing this kind of document. Nor can I see the workers in Barbados agreeing to it because it just does not make any sense, and I am telling you that you are going to be creating far more problems than already exists.

Now, Sir, I would have thought in this kind of situation, bearing in mind the many mal-practices which are well-known to members of the Government, to members of the sugar community, to members of the community at large, and I care not what anybody says, when mal-practices occur, those mal-practices must be exposed.

Mr. SPEAKER: This brings you to the end of your time for exposing them.

Dr. R. C. HAYNES: I thank you.

Hon. L. S. CRAIG: While he is thanking you, I am going to thank you for presiding over today's sitting.

I beg to move that further consideration of this matter be postponed.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

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

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this House do now adjourn until Tuesday, September 28, 1982, at 12 o'clock noon.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

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

8.55 p.m.