

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986 - 91

Tuesday, February 9, 1988

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

His Honour L. A. Weekes, J.P., (Speaker)

His Honour J. J. Payne, (Deputy Speaker)

Hon. L. E. Sandiford, B.A., M.A. (Econ.), J.P., (Prime Minister and Minister of Finance and Economic Affairs)

Hon. H. deB. Forde, Q.C., M.A., LL.B., (Leader of the Opposition)

Hon. B. M. Taitt, B.A., (Hons.), M.A., LL.B., (Hons.), (Minister of Health)

Hon. P. M. Greaves, Q.C., B.A., (Deputy Prime Minister and Minister of International Transport, Telecommunications and Immigration and Leader of the House)

Hon. E. E. Greaves, B.A., Ed.M., (Minister of Trade, Industry and Commerce)

Dr. R. C. Haynes, M.B., Ch.B., F JX.CP., (Edin.)

Hon. Dr. D. G. Blackman, B.A., M.A., (Minister of Transport and Works)

Hon. M. A. King, Q.C., LL.B., (Attorney General and Minister of Legal Affairs)

Hon. W. O. Franklin, A.I.C., M.I.A.S., JJP., (Minister of Agriculture, Food and Fisheries)

Hon. N. K. Simmons, (Minister of Employment, Labour Relations and Community Development)

Hon. H. A. Blackman, B.Sc., (Econ.), (Minister of Housing and Lands)

Mr. O. S. Arthur, M.Sc., (Econ.)

Mrs. M. Barker-Welch, (Parliamentary Secretary, Ministry of Employment, Labour Relations and Community Development)

Hon. C. V. Walker, (Minister of Education and Culture)

Mr. L. L. Brathwaite, J.P.

Mr. E. Bourne

Dr. E. A. Simmons, M.D.

Hon. W. W. Hall, (Minister of Tourism and Sports)

Mr. C. A. Neblett, B.A., (Parliamentary Secretary, Prime Minister's Office)

Mr. C. L. Trotman, M.A.

Mr. R. L. Morris, B.A., Cert. Ed.

Mr. P. J. M. Miller

Mr. R. P. Byer, LL.B., L.E.C.

Mr. D. J. H. Thompson, LL.B.

Prayers were led by Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, February 2, 1988.

Hon. P. M. GREAVES: Mr. Speaker, I have perused the Minutes of this Honourable House for the meeting of February 2, 1988 last Tuesday, and I believe they are in order and I move that these Minutes be taken as read and be confirmed.

Hon. B. M. TATTT: I beg to second that, Sir.

Mr. SPEAKER: If there are no corrections or observations, then let those Minutes stand confirmed.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL

Mr. SPEAKER: I have received the following:

MESSAGE NO. 1/1988

HIS EXCELLENCY THE GOVERNOR-GENERAL
TO
THE HONOURABLE THE HOUSE OF
ASSEMBLY

His Excellency the Governor-General has the honour to inform The Honourable The House of Assembly that, accompanied by Her Excellency Lady Springer, he will be absent from the country during that period 5th to 16th February, 1988, on a private visit to Australia. His Excellency was also absent from duty for medical reasons on 3rd and 4th February, 1988.

Under the provisions of section 29(1)(b) of the Constitution, the Chief Justice, The Honourable Sir Denys Williams, GCM, is performing the functions of the office of Governor-General during His Excellency's absence.

HUGH W. SPRINGER
Governor-General.

GOVERNMENT HOUSE,
BARBADOS.
5th February, 1988.

PAPERS

Hon. L. E. SANDIFORD: I am commanded to lay the following:

The Communique of the CARICOM Heads of Government Meeting held on Wednesday 6th January,

1988 to discuss the Haitian situation along with Notes on a comparative analysis between that Communique on the one hand and the Barbados and Jamaica position papers on the other.

Hon. M. A. KING: Mr. Speaker, I am commanded to lay the following:

The Annual Report of the Commissioner of Police for the year 1986.

The Report on the Probation Department for the years 1985 and 1986.

GOVERNMENT NOTICES

Hon. P. M. GREAVES: Mr. Speaker, Sir, I give notice of the following:

A Resolution to grant the sum of \$1 405 216 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1987-88, Part I - Current, as shown in the Supplementary Estimates 1987-88, No. 43, which form the Schedule to the Resolution.

A Resolution to grant the sum of \$2 858 700 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1987-88, Part I - Current, as shown in the Supplementary Estimates 1987-88, No. 44, which form the Schedule to the Resolution.

STATEMENTS BY MINISTERS

STATEMENT BY PRIME MINISTER Re
RELATIONS BETWEEN BARBADOS AND HAITI

Hon. L. E. SANDIFORD:

"Recent events in Haiti have made it necessary for the Government of Barbados to re-assess the state of its relations with that troubled country.

Background

Relations between Barbados and Haiti were initiated some twenty years ago, when in response to a request from the Government of Haiti, the Government of Barbados sent a mission there in 1968.

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Following the death of President Francois Duvalier, the Government of Barbados in June 1972 decided to open diplomatic relations with Haiti. This decision was taken in the light of signs that the new government of Haiti under President Jean Claude Duvalier, might show greater regard for human rights and economic development in the country.

Straughn that it was in his interest that "he had reached an agreement" with the President of the Minibus Association for the Minibus Association to carry all school children in Barbados.

The Transport Board at that time was conveying 7 000 school children per day, with a capacity of 90 children per school bus. The minibuses had a maximum capacity of 24. Divide that by 7 000 and you see how many more minibuses would have been created in Barbados. They would have to have licensed more minibuses because of the fact that school children travel at peak periods and minibuses operate at peak periods. The minibus capacity in Barbados is fully utilized at peak periods.

For a time I wondered whether that proposal was crass stupidity or not, whether it betrayed ignorance of Transport policy or not, but what followed convinced me that there was a surreptitious attempt to privatize, because juxtaposed to these proposals were constant propagandists efforts carried out through the media in Barbados, efforts which, according to journalists that I spoke to, originated in the office of the Minister of Finance, with one view, and that was to frustrate the people of Barbados to the point where they felt that anything would be better than a Transport Board, and at that time, the friends of the then Government would then come in and take the buses over.

Dennis Tull told me in 1982 that he was ready, willing and able to buy the Transport Board buses whenever they were ready to be sold, and Dennis Tull was unemployed in the year 1978. Assuming the price of \$100 000 a bus, where would a man who was broke and unemployed in 1978 get that money from to buy the entire fleet of the Transport Board?

We also heard the names of "Cow" Williams and other cronies, gambling and business, being floated as possible purchasers of the Transport Board.

Not only that, the Minister of Finance again wrote to Mr. Glenroy Straughn and told him that he had had discussions with Dennis Tull and he thinks that the Transport Board should give the Minibus Association Route 1. Route 1 is that coastal road that runs down along Holetown, St. James. You know that the Walmer Lodge route in itself has made Percy Stuart a millionaire, and that route right down into Speightstown was to be given away. If it were a man of a different calibre than Glenroy Straughn, it would have been given away, but, to his credit, he stoutly resisted it. The routes to Gall Hill and Oistins were also proposed to be given to the Minibus Association. So when I say there was a policy of privatization by stealth, it is predicated upon the real proposals that came from the office of the Ministry of Finance, proposals which, if

implemented, would have given substantial revenue earning routes, those that remained, to the Minibus Association.
12.55 p.m.

We had this policy therefore of privatization by stealth, and it was continued when a man called Vic Johnson became Minister of Transport and Works. Vic Johnson, in addition to being an obedient servant of the then Prime Minister, was singularly ignorant about what was going on. What he proceeded to do was to decimate the ranks of management on behalf of the then Prime Minister, who was carrying out a vendetta against me. It was not clear to me at the time why he was. I subsequently learnt that he said that he did not like my racial views, and that nobody like me, with my racial views, should be in politics in Barbados. But that is a different matter altogether. What is clear is that the needs of the Transport Board were subordinated to the execution of a political vendetta, more evidence of a programme of privatization by stealth, the complete opposite to what they told the people of Barbados and were still continuing to tell the people of Barbados.

The rot continued. In the first year that Johnson was Minister of Transport and Works, the ridership on the Bush Hall route fell by another 52 per cent; on the Gall Hill route 44 per cent; on the Howell's and Ivy route, 36 per cent; on the Cave Hill route, 38 per cent. These are the profit-bearing routes. We saw further deterioration in the revenues that the Transport Board got from those routes, and this deterioration has continued right down to the present time. It is happening now for different reasons altogether, but there are reasons also connected with the folly of Vic Johnson. I will get to those.

The IMF started to put the Government of Barbados under pressure with respect to the magnitude of the subsidy that was being paid to the Transport Board. Therefore, there was a conspiracy with the Ministry of Finance and the Ministry of Transport to try to save appearances, to make the deficit look smaller than it was in order to please their bosses in this multilateral financial institution.

The following was done: I used to request from the Minister of Finance, when I was Minister of Transport and Works, that Ministries whose clients use the services of the Transport Board should pay the board for those services; if the Transport Board was perceived as a quasi-commercial undertaking, they should pay for those services. I had asked him to get the Ministry of Education to pay the balance of the subsidized fare that school children were paying. I had asked him to get the Ministry of Community Services to pay for the senior citizens, and the Ministry of Legal Affairs to pay for the policemen who travel free on the buses. This was consistently refused. In 1984, it was implemented for the first time. I have nothing against the principle of it, but we must be in no doubt as to the real

reason for its implementation. Its implementation was designed to save appearances and to satisfy the demands of the moguls within the International Monetary Fund.

Then Johnson began the nefarious practice of rolling over. Prior to the financial year 1983-84, the Ministry of Finance held the Transport Board to strict accountability. When additional money was asked for a subsidy, it used to be made very, very clear that the debts had to be in respect of that financial year, and that financial year alone. Debts for one financial year now began to be put in another financial year to conceal the true extent of the deficit. That is why when the BLP left office, for the year 1985-86 we saw something called "an accumulated deficit" of \$26 million, money hidden from previous years, when the IMF was on the back of the Government, to save appearances.

I have to end my historical discourse at this point, because the Chairman has indicated that I have only two minutes left. But I will get back to this subject, Mr. Chairman.

The request for \$13 million is based upon the following: during the current, financial year, only \$2 mil'b'on, as against \$10 million which is customarily placed in the Estimates, was voted towards the subsidy of the Transport Board. In addition to that, the monies to which I referred, which were paid by the Ministries of Education, Legal Services and Community Services, which amounted to \$4 million, were not paid to the Transport Board this year. Also, another \$1.940 million is needed by the Transport Board to go towards an increase in wages of the Transport Board's staff.

The Transport Board, in these circumstances, was forced to use monies from the Transport Levy Fund to continue its operations. It is hoped that a part of the \$13 million voted will be returned to the Transport Levy Fund so that the Ministry may be in a position to respond immediately to many of the needs of Barbadians for better road surfaces.

About 84 per cent of the some \$20 million which is expected to be collected by the Transport Levy Fund this year has to date been either spent or allocated to the Transport Board or Transport Board related activities. This sum of money requested will go towards repaying the Transport Levy Fund and, hopefully, bring some relief to persons who are suffering from having to use bad roads. 1.05p.m.

There are many other aspects of the Transport Board in relation to policy, how policy is being implemented and so forth, which I do not have time to go into in this first intervention. But when I get up again, to wind up the debate, I shall speak at greater length on the policies which

are now being enforced in the Transport Board, policies which were successful in 1983, policies which were reversed by the wickedness of an Administration bent on enriching its cronies, policies which will be successful again because this Government has no interest whatsoever in continuing to waste millions and millions of dollars of taxpayers' money, as has been done in the past.

I shall be happy to answer any questions and respond to any considerations raised in relation to the operations of the Transport Board. It is a subject on which there is great need for enlightenment, and I am prepared to assist to the extent possible in that regard.

I now move, Mr. Chairman, that Head 42, Subhead 8 stand part.

Hon. E. E. GREAVES: I beg to second that.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Chairman, we are indeed indebted to the Honourable Minister of Transport for his very subjective analysis of the period 1976 - 1986 in relation to the Transport Board and its operations. Since he promises to enlighten us, in the winding up, on the new policies and the future that he predicts for public transport in Barbados, we on this side look forward very eagerly to all the nice things he will have to say and all the promises he will make. Fortunately, this Minister comes once again to the Ministry of Transport and Works with experience, hindsight and with the zeal to improve the public transport system of Barbados, and, I presume, from all that he has said, to wipe out the private transport operators.

Asides.

Mr. D. A. C. SIMMONS: I said so, he did not say that. All that he has said has led me to believe that the private minibus operators have functioned, as it were, as anathema, cronies who have preyed on the travelling public and have fleeced them, and are greedy, who want the best routes - Route 1, Gall Hill and Oistins.

Hon. Dr. D. G. BLACKMAN: On a point of order, Sir.

Mr. CHAIRMAN: The Honourable Minister has risen on a point of order.

Hon. Dr. D. G. BLACKMAN: Sir, what I stated, and I restate, is that the Transport Board was put in a financial tailspin and suffered substantial losses because the Barbados Labour Party Government gave away all of the profit-bearing routes to the minibuses.

The question which the honourable Member will have to answer is this: Is the Barbados Labour Party prepared for the Transport Board to continue to operate at its present losses? And, if so, will his Party, under new leadership, be prepared to make sure that the Transport Board gets back a substantial amount of the revenue lost?

Mr. CHAIRMAN: Point made.

Mr. D. A. C. SIMMONS: I am grateful for the intervention.

Why should the Opposition, who do not have control of the public transport system in this island, be requested to answer any questions about the policy in relation to a kind of mixed economy in public transport? I have sat and wanted to hear from the Minister what is his Government's philosophy in relation to the conjoint operation of a public sector type of transport in this country and a private sector type of transport. Is his Government prepared to continue the situation where we will have Transport Board buses operating together with privately-owned and operated minibuses? Is his Government prepared, in order to reduce the deficit and to make the Transport Board a more viable economic proposition, to remove the minibuses from Route 1, Gall Hill, take them off of the lucrative routes that they are now running on and put Transport Board buses, even the smaller type buses in there? I want to hear those answered, and the public wants to know, since you have criticized and inveighed at length against what was then - even when the honourable Member was a member of Cabinet for five years, and part of the collective decisions that were taken in those five years. I want to know now that all the water has gone under the bridge. Let us rub out that era as a bad experience. Labour Party had a bunch of dummies - what now are the bright ones on that side going to do to make the Transport Board of this country operate on a smaller deficit?

Asides.

Mr. D. A. C. SIMMONS: I am not interfering at all.

In the Hansard for Tuesday, April 7, 1987.

Mr. CHAIRMAN: No, no, no. Tuesday, April 7, 1987 - is that part of the current session? I thought the rule was that you do not quote from anything that went on in this session. That is my understanding of the procedure requirements. I do not remember the exact rule. I can check with the Clerk to clarify the situation. I think that I am correct on that.

Mr. D. A. C. SIMMONS: Let me just put the point, Sir. I wish to quote from the speech of the

Mr. CHAIRMAN: If it is during this session, you cannot quote it.

Mr. D. A. C. SIMMONS: There is now a restriction on freedom of speech.

Mr. CHAIRMAN: There is no restriction on freedom of speech.

Asides.

Mr. CHAIRMAN: I am glad that you qualified it.

Mr. D. A. C. SIMMONS: I am not reflecting on you, Sir.

Mr. CHAIRMAN: A Member may read from the authorised report of the debates any speech made in the House of Assembly during any previous session. This is Rule 28:12.

I had to intervene before with the honourable Member for St. Peter (Mr. O. S. Arthur) and remind him, and you were sitting beside him and you ought to have known that, You cannot do it. You were in here longer than me. You should be more familiar with debates than I am.

Mr. D. A. C. SIMMONS: Thank you for your upbraiding, Sir. I am grateful. I will concede when I am wrong, and I bow to the Chair.

Sir, at no time between 1985 and 1986 was the deficit of the Transport Board \$26 million. In 1986, the deficit, whether it was rolled over or not, was \$17 million, not \$26 million. The best authority for that is the Deputy Prime Minister of Barbados. I heard him say that the deficit for 1985-86 was \$17 million. I cannot quote from any document in this session, but I heard him say that.

Hon. Dr. D. G. BLACKMAN: Sir, I could make this a document of the House, the Annual Report and audited Financial Statement of the Transport Board 1985-86. Accumulated deficit, \$24 344 643!

Mr. CHAIRMAN: For the completeness of the record, which page is that?

Hon. Dr. D. G. BLACKMAN: It is page 2 of the Auditors' Report, which is included in the Annual Report and Audited Financial Statement of the Transport Board, which was already laid in this Honourable House.

Mr. CHAIRMAN: The honourable Member may continue.

Mr. D. A. C. SIMMONS: The honourable Members can look at the Hansard at some time, Sir, at page 1173 and they will see. I cannot quote from it, Sir.

Hon. Dr. D. G. BLACKMAN: On a point of order, Sir. What the Minister would have said is that the operational deficit as given for that year would be \$17.8 million, but the accumulated deficit is \$24.3 million, which arose out of the procedures used, of rolling over debt, to conceal the amount of the deficit.

Mr. D. A. C. SIMMONS: On this side, we have decided to split our speeches and the honourable Member for St. Peter (Mr. O. S. Arthur) will deal with the fallacy of those accounting beliefs, not procedures. The Minister has a false view of how that deficit should be interpreted, and the honourable Member for St. Peter will deal with that.

In 1980-81 - the honourable member, I think, volunteered the information that he became Minister in June 1981 - the deficit went from \$11 000 043 under that Minister to the very next year; then in 1981-82, \$15.4 million and the following year \$14.796 million.

Hon. Dr. D. G. BLACKMAN: On a point of order, Sir. There are things that the honourable Member does not understand. When I became Minister, in the third month of the financial year, there were obviously things going on that were set in train from before. There was a management that I had to get rid of, there was a chairman that I had to get rid of, and I got rid of the chairman after I discovered that he was buying rags from a company, of which he was chairman, too, at \$8 a pound which could be got at 35 cents a pound. It obviously took time, and to have the proper management put in place, to discover the kind of malpractices that were taking place then.

Mr. D. A. C. SIMMONS: That is why I was careful, Sir, to give three years' figures. I would excuse the first year he got in as Minister of Transport and Works, but he still has to explain the next two years when he had total responsibility and was in a position to put in all the new schemes, policies, procedures and schedules.

Hon. Dr. D. G. BLACKMAN: I did not do it, 19 months I was in the Ministry.....

Mr. D. A. C. SIMMONS: It went back up to \$14.796

(Aside: Hon. Dr. D. G. BLACKMAN: Went back up?)

Mr. D. A. C. SIMMONS: Or down! We are dealing with high numbers, so whether you move from 14 to 15 or 14 to 12 you are still into a serious million dollar figure.

(Aside: 14.8 million, David.)

Mr. D. A. C. SIMMONS: Some \$14.8 million.

The truth of the matter, Sir, is that the Minister has to concede that we operate a two-tier system of public transport in this country, and it requires especial courage to deal with the private sector transport, so if that is the reason, there can be the reduction in the operating deficit.

I want to go back a little bit to the period prior to 1976. I appeared in a Transport Board enquiry before the Public Utilities Board in 1973 or 1974, and there was this same problem of what were the most lucrative routes that could produce income for the Transport Board. The Transport Board was making losses all in those days. Mr. Wendell McClean appeared and conducted the case on behalf of the Transport Board, virtually to the exclusion of Mr. Asquith Phillips, and tried to make out a case which was not accepted by the board.

Since those days, we have had the nationalization under the Labour Party in 1976. I was not at the centre of all decisions that were taken about nationalization of the Transport Board, but I believe the honourable Member for Christ Church West (Hon. H. deB. Forde) represented Mrs. Rock in the negotiations, Mr. Jack Dear represented one of the concessionaires, and I certainly represented Mr. Coward and the Lucases, the Elite Bus Company.

Aside.

Mr. D. A. C. SIMMONS: The honourable Member for Christ Church West represented Mrs. Rock before, because he appeared in the Public Utilities hearing. He was a Minister in 1976.

If the Honourable Minister is relying on the memory of public officials, as he said, in relation to the kind of brusque, abrasive language that was used by Mr. Brathwaite, allegedly so, "give me the buses now, we want them, it is our policy," that was not my experience, and I would wish to speak also for Mr. Jack Dear, who was with me at all of the meetings in the negotiations. I never found that attitude. I found a desire to get the transport system nationalized without undue delay, but I did not find, couched in any kind of language, an attitude that was symptomatic of expropriation, which seemed to be implicit in the language that was referred to the Honourable Minister by some nameless officials. 1.25p.m.

I think, too, one has to understand that we were attempting to nationalize a massive industry. I think we would be foolhardy to expect that it would not have had wrinkles.

Mr. CHAIRMAN: The honourable Member has another minute to wind up.

Mr. D. A. C. SIMMONS: Another minute? It is half an hour for the first speaker for the Opposition.

Asides.

Mr. D. A. C. SIMMONS: I am not challenging you, Sir. I am just expressing some surprise. I thought it was half an hour. I will have to speak again, Sir.

I was concerned, Sir, that everything was done in those negotiations to ensure, first of all, that the Government did not buy a pig in a poke, that the Minister had the Government's interest to protect, and secondly, that the private concessionaires, whose properties were being acquired, got justice. As far as my clients were concerned, we did not find anything untoward. Obviously, in a situation of acquisitions, the person whose property is acquired is always going to want a bit more than he gets, even in land matters. But that was not the point.

The Government tried to introduce a new system of public transport, to nationalize public transport in this country, which, I believe, has now been in operation 12 years, and, therefore all the strategies, techniques and systems ought to be coming on stream and in line to help us reduce the deficit. If the contention is that the deficit is primarily inflated because of competition from the private sector minibuses, and there is no doubt that the minibuses do provide competition, but, at the same time, a very useful and necessary service, then the Government is going to have to meet with the Minibus Association to work out an accommodation that would allow them to live and allow the Transport Board to live.

Mr. CHAIRMAN: A good point at which to stop. I did give you an extra minute.

Mr. D. A. C. SIMMONS: Thank you, Mr. Chairman.

Mr. O. S. ARTHUR (St. Peter): Mr. Chairman, this debate has gone in a very predictable direction. It is quite clear that the Minister of Transport and Works would rather take solace in what he imagines to have been infelicities of a past Administration than face the very grim realities of the day, and I want to add, Mr. Chairman, to some of the considerations, very pertinent considerations, that have been raised by some of my colleagues. We have to face the grim realities of the day.

Last year, when this whole matter of the financing of the Transport Board arose, Government committed itself to a particular policy direction. It was made very clear that it was within the competence of this present Administration

that constitutes the Government of this country to keep the transport deficit within a limit of \$7 million, and for that purpose, it was only necessary to have an on-Budget subsidy of \$2 million and \$5 million allocated from the Transport Levy to run an efficient transport system in this country.

Less than a year after, Mr. Chairman, we are being asked in this House to support a supplementary expenditure of \$30 million. The question that necessarily must arise, Mr. Chairman, is, what has gone wrong to the plans that were laid to contain that transport deficit, of which so much was made last year in the Budget Debate, to \$7 million? It was made a matter of policy, as something that would stand as a landmark between the Administration of the Barbados Labour Party and the Administration of the Democratic Labour Party, a point virtually of religious faith and principle, that they could hold a deficit to less than \$7 million whereas all history had shown differently, and that they would have had to come back this year to the House to say how wonderfully well they had done.

Asides.

Mr. CHAIRMAN: The honourable Member may continue.

Mr. O. S. ARTHUR: Mr. Chairman, not only did he say \$7 million, but the numbers established the point that we had to point out in the Estimates Debate last year. If you would recall, Mr. Chairman, in the last Estimates of Expenditure, there was absolutely no provision for a subsidy for the Transport Board. During the Estimates Debate, \$2 million in subsidies were moved in after this Opposition raised the question as to how the operating deficit was going to have been met, and in the Budget Debate, it was made abundantly clear that an additional \$5 million was being allocated from the Transport Levy to meet part of the rest of the deficit for the year, and that at the end of the year, we would have been told that deliverance has come at last where the Transport Board is concerned. We are speaking this year of a deficit of \$21 million, and the queries raised by my colleague, the honourable Member for St. Thomas (Mr. D. A. C. Simmons), are very pertinent.

The Minister was at great pains to make the point, Sir, that the fundamental reasons for the deficit for the Transport Board has to do with the allocation of routes as between the private part of the transport system of this country and the public part. He left the very clear implications that the distribution of those routes at this time are of a character that would ensure the profitability of the private part of the distribution system.

Hon. Dr. D. G. BLACKMAN: On a point of order: I was quite specific that time had run out on me and I could not deal with all of the reasons why the deficit is what it is now. I traced the history, but under the Johnson administration there was a multiplicity of wrongs, which I shall enumerate for the benefit of this House.

Mr. O. S. ARTHUR: Mr. Chairman, Sir, if I may continue the point, it was stated as a matter of fact that a fundamental part of the explanation of the deficit of the Transport Board had to do with the allocation of the routes as between the two parts of the sector. The deficit is not falling, it is rising, and it would seem, therefore, clear, Mr. Chairman, that some particular policy has to be taken as regards the distribution of routes and some re-ordering of the relationship between the private and the public part of the transport system, as part of an overall policy to address the problem of rising and large deficits, and the Opposition, Mr. Chairman, wants to know what that policy is.

That is why I am making the point, Sir, that it is wonderful to carry this debate back to the 1970s and the early 1980s. But we are facing a grim reality, and the grim reality has not only to do with the increasing size of the deficit, but also with an existing deficit co-existing with a decreasing service to the people of this country, with a worsening of the service provided by the Transport Board. 1.35 p.m.

I want today, Mr. Chairman, to speak particularly on behalf of the people of St. Peter who will be called upon to pay a part of this subsidy that we are going to be paying to the Transport Board, but are faced, Sir, in areas like Boscobelle and Indian Ground, with a diminishing service. I have to ask the question that, obviously, springs to mind, Mr. Chairman, is it the policy of Government to address the operating viability of the Transport Board by a drastic reduction in the service provided to a large number of rural constituencies, including my constituency, Mr. Chairman? If that is the policy, it has to say so, because the people of this country, Mr. Chairman, I do feel deserve a better service than they are getting now. The Minister is in a position to know that, certainly in rural St. Peter, there has been a drastic deterioration in the bus service provided particularly in the last nine months, and I am sure many of my colleagues in this House are in a position to speak about a worsening in the bus service in this country.

Mr. Chairman, I will most probably come back into this debate. We are anxious on this side to hear Government's statement of a policy in the face of a rising deficit, rather than they carrying us back and giving us old wives' tales which cannot be substantiated. A lot of what the Minister has said today is based upon what he had heard and what somebody told him.

It is very easy in this House, Mr. Chairman, I am noticing, to take shots at the integrity of past members of the Barbados Labour Party, on the basis now not only of what might be documented, but on the basis of what the Minister imputes he might have heard from somebody. If you heard somebody said something about L.B. Brathwaite, that bureaucrats are now saying that L.B. Brathwaite said he "wants the buses now," and calling people's integrity into serious disrepute upon the basis of hearsay, I think in this House we have to rise above that kind of thing. Let us therefore, Mr. Chairman, deal with the policies, and I would welcome the Minister's reaction to these particular issues.

Mr. R. L. MORRIS (Christ Church East Central): Mr. Chairman, if I understand the gravamen of the Honourable Minister's speech, the most important point he raised was that under the Barbados Labour Party's Administration there was a severe contradiction in what was supposed to be the policy of that Government and what actually took place, and I disagree completely with the honourable Member for St. Peter (Mr. O. S. Arthur) who wants to suggest that the historical outline given by the Minister is irrelevant to what we are discussing today. The Minister is suggesting to me that the body blows put on the system by the Barbados Labour Party are still leading to serious haemorrhaging on the part of the patient, the Transport Board. Two speakers on the other side so far have stood, and they were both in discomfiture. They have been unable to dispute or to counter what they claim are allegations made by the Honourable Minister of Transport and Works.

Is it true that under the Barbados Labour Party's Administration, the Minibus Association became swollen to the size it now exhibits? Is it true that there might have been connections between the members of the Cabinet and the persons who were prominent in the Minibus Association? Respond! You have your time to respond. You can speak as much as you like. Is it true that the lucrative routes were given out to the Minibus Association? I am not talking about what bureaucrats said or hearsay. Those are facts, and I want you to refute them. Is it true that the Transport Board lost significantly in terms of revenue under the Barbados Labour Party's Administration, which revenue was going to the Minibus Association? Refute that! Is it true that the former Prime Minister, Mr. Adams, supported by his Cabinet, had a desire to hand over routes and the school buses to the Minibus Association? Refute that! These are not now vague allegations, they are direct claims that were made, based on a letter that was written by the then Prime Minister to the Chairman of the Transport Board. Is that an allegation? Do not let us confuse allegations with facts. There has to be continuity. We have to understand what happened before we start discussing the present position of the Transport Board.

There is one particular area that I want to get into, because we in Barbados have to understand that when we allow certain policies that are based on indiscipline to creep into any area of the body politic, it can have severe ramifications on how we as a people are perceived, how those who are looking for leadership will perceive us and what will happen in this country eventually.

Aside.

Mr. R. L. MORRIS: The honourable Member for St. Thomas (Mr. D. A. C. Simmons) says that it calls for what, a particular kind of courage? I cannot quote him directly.

(Aside: Mr. D. A. C. SIMMONS: Yes.)

Mr. R. L. MORRIS: It requires especial courage to deal with the private sector in transport, that is true, because the Barbados Labour Party's Administration took a position to entrench the minibus owners and operators, and we are quite aware that it calls for an act of political will to change the existing policy. They bastardized the system in this country and corrupted it, and now they are saying it calls for a particular courage to deal with that situation. That is quite true.

Let us be clear on what you have done in establishing a group of people who now seem to consider themselves a law unto themselves, making certain demands on the body politic for a private group. You are creating certain indiscipline in this country.

I am not speaking out against the individual person who gets a job driving the minibus. I am not speaking out against the entrepreneurs who are engaged in the system, because I do not want to minimize a debate of national importance into discussing individuals or anything like that. We are talking about systems and the impact that systems have on a country.

It appears to me, this is my personal assessment, that the minibus system is bringing in its train a lot of indiscipline to this country. You have to understand that the whole minibus system has developed a kind of culture - there is a whole minibus culture - with several ramifications. I know the position of the other side on this, even though they will accept what I am saying. I am going to challenge them to get up and join me in this. Do not just nod your heads when I am speaking.

(Aside: Mr. D. A. C. SIMMONS: We will not join you in foolishness!)

Mr. R. L. MORRIS: When the Press reports what it has to report, that I am attacking the minibuses, do not just nod your heads, but get up, if you have the courage, and

join me in what I am saying. I am not afraid of saying what I have to say, whether the Press carries it or not, or however they carry it, even if they want to distort it.

The minibus system has brought indiscipline to this country, first of all at the level of economic and fiscal policy. It is creating chaos in the public transportation system. Secondly, as I said, there is a minibus culture that is leading to a certain amount of lawlessness in this country, and I believe that that has to be controlled. 1.45p.m.

When the public transport system that we expend our money on is allowed to perform under regulated patterns and to adhere to standards that we would expect, but the other system can run wild, while at the same time private concessionaires are making money out of that system, something has to be wrong and we are sending wrong signals to the people of this country, wrong signals to the children who get in the minibuses because they like what is happening there, wrong signals when, everytime you turn around, there is a minibus in an accident, accidents that are fatal, some that lead to damaged property and so on. Unless we send the correct signals, we are going to give the impression that we want to institutionalize what I see as indiscipline.

Let me make it very, very clear. I will not shirk from a philosophy that says that as far as possible the transport system in this country should be run by a board that is controlled by the Government. That is the philosophy to which the Barbados Labour Party adhered, but did not practice, and which they are now challenging us about. We have a philosophy, but we are dealing with a real situation, too.

Asides.

Mr. R. L. MORRIS: But, to tell the truth when you all had reduced it to the state that it was in, I can imagine Mr. Barrow's frustration and why he would have made that kind of point.

Asides.

Mr. R. L. MORRIS: Even if he said so, he was responding to the kind of body blows which you inflicted on his system, and not only that, but what you had done to the Hilton, Caribbean Airways and all the others. His was a response to the reality of a situation that he found, and we are responding to the reality of the situation now, too: The Honourable Minister will, of course, give you the details in terms of how he perceives we should proceed, in terms of the procedure and policy, in trying to improve the system. But we are coming from behind in terms of what you have

done to that system, because you have eroded the basis of a good transport system.

When the Barbados Labour Party left office, we did not have the buses, nor the parts, to run a proper system. When the Barbados Labour Party left office, they left a system that was in total chaos. There were insufficient buses, not enough spare parts, and there was no management system at all at the Transport Board. But now you are calling on this Administration to, in less than two years, rectify all the damage that they have done to the Transport Board in this country. That is the level of irresponsibility that is displayed by the others on the other side over and over again - we challenge you to show courage, we destroyed it, we want you to reverse it now immediately. They challenged us to get rid of all the private concessionaires. That is the kind of challenge they would want to throw out to a thinking Government. Could you be serious about it? You could be serious!

Asides.

Mr. R. L. MORRIS: You believe in policies that are based on catching political points. You want to be able to say now that the Democratic Labour Party said that it would get rid of all the minibuses. You put them in place, entrenched them and allowed them to go, and now you tell us - let us see what you will do. The public knows that that is a false challenge, and they know that the situation has to be dealt with. I said that, philosophically and fundamentally, we believe in a public transport system that caters to the needs of the masses of the travelling public and that it is not set up to enrich a few individuals - the new rich.

Asides.

Mr. R. L. MORRIS: I have not done any survey, but I feel that if I had to carry out a survey, it would show close connections between the Barbados Labour Party and this newly-rich group.

Asides.

Mr. R. L. MORRIS: Somebody at the university should carry out a survey on that. I have no doubt at all there will be a close correlation between affiliation to the Barbados Labour Party and the newly-rich minibus operators, and that their legal representatives will also be from the Barbados Labour Party or that group of lawyers over there. I do not even have to carry out a survey, because one of them who is in here now could tell us, "Yes, I am one," and I know another BLP person who is a lawyer for the minibus people. I have no doubt about that at all. If they want to be open, they can take up that challenge. They

know who are the legal representatives of the minibus owners.

Mr. Chairman, I believe that public transport is extremely vital in Barbados. It has important ramifications in terms of productivity, because most of the workers of this country depend on getting to and from work by the public transport system, and if it is just private concessionaires, they would not care whether or not people got to work from St. Lucy or St. Peter, and the honourable Member for St. Peter knows this. If you allow the minibus operators to take over the routes in St. Peter, the people there would not get to work because most of the work force in Barbados would have to come to the city. Work locations are centralized in Barbados, and if we had to follow you in the direction of turning over the system in any significant way to the minibus operators, people getting to work on time and getting home on time would be a problem for us all the time in this country.

The transport system is imperfect as it is, we have a big job in trying to get rid of the problems that exist, and I believe it is the sort of thing that can only be exacerbated by continuous political interference with the system. I would like to see a system that has as its basis a professional and competent staff, with the right kinds of persons in place - a general manager who knows the basis of transport, a good financial controller, an engineer and a transport economist. I believe that it is time in 1988, as we move forward. We have to put that kind of system in place, and I would like to think that if we can attract those kinds of professionals, who have an idea of management on a big scale - because when we are talking about the Transport Board, we are not talking about any small, piddling company, we are talking about a large operation - we would not go back to the levels that I saw in the 1980s, when you had people like Waterman - I am going to call names now - managing the Transport Board. The man had no ideas.

Asides.

Mr. R. L. MORRIS: He was Personnel Manager.

Asides.

Mr. R. L. MORRIS: He was acting as Manager, this fellow Waterman, the one who has been reduced from running the Transport Board to running some duty-free shop at the airport.

Asides.

Mr. R. L. MORRIS: These are not personal comments in the sense that they are not attacking an individual. When you deal with management, you deal with management, and when you manage a corporation that has 1700 employees

and expenditures of \$41 million, you cannot put anybody to manage that kind of system, and not on any partisan political grounds. We have to be very concerned about putting management in place at that kind of corporation so that we can get the best for this country. It should not be the kind of management that turns when politicians change, because, in many cases, it takes time for a man to build up expertise in a particular position, to get his policy and to go forward. We have to look for people who are highly-trained to put them in positions in institutions like the Transport Board and to give bi-partisan support to them in performing their functions.

Mr. Chairman, I challenge the Opposition to reply to the substantive points made by the Honourable Minister of Transport and Works and not to go around them and skirt them and ask frivolous questions, when the Minister has already intimated that he will be answering when he stands for a second time. You have enough before you now to respond to and answer in substance. Do not ask him for a policy when he told you that he is going to stand up and give you a policy. Do not run from what he has said. 1.55p.m.

LEAVE TO SIT AGAIN

Hon. P. M. GREAVES: I move, Sir, that Your Honour do now report progress and ask for leave to sit again.

Hon. B. M. TATTT: I beg to second that.

The question was put and resolved in the affirmative without division. Mr. CHAIRMAN reported progress and asked for leave to sit again, and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that this sitting be now suspended until 3.00 p.m.

Hon. B. M. TATTT: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 1.56p.m.

ON RESUMPTION Mr.

SPEAKER: The sitting is resumed.

When the suspension was taken the House was in Committee of Supply. To that it shall revert.

COMMITTEE OF SUPPLY (RESUMED)

Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. R. P. BYER in the Chair.

Mr. CHAIRMAN: The House is in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1987-88, NO. 39; HEAD 42 - \$13 000 000 (CONT'D)

Hon. P. M. GREAVES (St. Michael North): Mr. Chairman, I do not intend to make any lengthy speech on this particular matter. I have already done so on a number of occasions during this session and I stand by all I have said.

I understand from the other side that I have been reported as saying that by the end of this financial year, or words to that effect, the subsidy to the Transport Board will be reduced below \$7 million. Mr. Chairman, sometimes the Clerks or the reportorial staff make available to Members speeches that have been made to see if, in fact, they correspond accurately with what was said, and I can say categorically I never said anything about any reduction of subsidy below \$7 million. I never said that. I would be a madman to say that. How can one reduce a deficit from the area of \$20 million to below \$10 million in one year? The thing is impossible.

It is the truth, Sir, that at the beginning of the last financial year, when the Estimates were being put together, the Minister of Finance did not want to put in any money for the Transport Board, not because the Transport Board did not need it, but because he had his own ideas about how the Transport Board would be financed. They did not coincide with my ideas on financing the Transport Board, and I told him that. As a matter of fact, Sir, I had to fight very hard even to get \$2 million put in the Estimates this year.

It was the idea then of the Minister of Finance that the total Transport Board Levy was to be used to finance the operations of the Transport Board, not just the extra put on by the Minister of Finance in the Budget this year, and that extra was estimated to yield \$6.875 million over the period of a whole year, which it has not yielded, because it is only about a total of a ten-month period before this year ends. The Levy Fund was yielding about \$13.1 million - it is estimated to yield that this year - and there was another \$6 million, which would be \$19 million. How can one say then that my statement was that it should be reduced below \$7 million? That was indeed, Sir, absurd. I have never said that

It was estimated at the time, earlier in the year, that the expenditure of the Transport Board would have been in the area of \$25 million and that the revenue would be \$21 million. At the beginning of the last financial year, the estimate was that there would have been a deficit of about \$14 million, but that is only over the operation of one year. There were accumulated deficits, because from time to time, during the time of the Barbados Labour Party regime, they never completely wiped out deficits for any one year, so you have accumulated losses over a period of years. So whereas one might have a deficit over a year of \$14 million, the truth and fact is that you might very well have to look for \$24 million in order to put the Transport Board back in the black, with no deficit. That has been the history of financing the Transport Board over the last several years.

I am glad, Sir, that this \$13 million is now being sought for the Transport Board, which I believe will help considerably to support the financing of the Transport Board, because one thing is certain, and it is that the Transport Board cannot generate sufficient funds at this time, with all the competition it has out there, to meet its own operating expenses. It just cannot, it is not possible, and there is a lot of competition out there.

Asides.

Hon. P. M. GREAVES: The competition might be making money, they do not have the overhead expenses of the Transport Board. They may not have more than three or four people working for any of the large minibuses operators, the Transport Board has about 1,500 or 1,600 people working for it. It has tremendous overheads, so one cannot look at it in terms of the operations of the minibuses, and that is why we have to come here from time to time to put it on a good footing.

Sir, I am one of those who believed - I have always believed it, I believe it still today - that the operations of the Transport Board can be made far more efficient than it has been over the years. That can only happen when it has enough buses of a quality that can serve the public and can itself be reasonably profitable. It can only be so, Sir, when one rationalizes the routes of the Transport Board, and it calls for a lot of rationalization, and I believe that this is a step in the right direction.

My main purpose, Sir, in intervening at this time, probably even at all, was to correct something that was said earlier. I never at any time talked about the end of this year being any deliverance year for the Transport Board. That would be completely absurd.

Mr. D. A. C. SIMMONS: I thought the Honourable Deputy Prime Minister was going to deal with the management of the Transport Board, because the Board that

he appointed did not survive the period of its appointment. All the people that he appointed were removed by the present Minister, I believe except for one. Even the chairman you appointed went.

(*Aside:* Hon. P. M. GREAVES: I am surprised to hear you say that.)

Mr. D. A. C. SIMMONS: It is true!

(*Aside:* Hon. P. M. GREAVES: But I am surprised to hear you say that.)

Mr. D. A. C. SIMMONS: I thought you were going to deal with the management structure and come down. That is one of the problems that they have had at the Transport Board, the chopping and changing of management, chairmen, in our time and now in your time.

Aside.

Mr. D. A. C. SIMMONS: I admitted that. I talked to the Honourable Minister as soon as we broke up for lunch about that. That has been one of the problems. There has been a lot of chopping and changing in the board and at the level of management, and for periods of time the Transport Board was without, in my view, a proper, modern and sophisticated management structure. I said it in here in 1979, it is in the Hansard, and I then gave some suggestions as to the type of management structure similar to what the honourable Member for Christ Church East Central (Mr. R. L. Morris) said today.

Earlier in this session, and I cannot refer to the Hansard, I made the point that we really have to decide whether, as a matter of conceptualization, we wish to have a system of transport in Barbados for the general public which recognizes that it provides a social service, and to which there ought not to be any attachments of commercialism which would result in a profit as the ultimate goal and desire of the system that we wish. If, on the other hand, we wish the Transport Board to operate as an economically viable organization, then, of course, tough, drastic, unpleasant and unpalatable measures would have to be adopted which would press particularly heavily on the poorest persons in the society, who happen to be the most frequent users of the public transport system. 3.10p.m.

If we are going to do the latter, that is a matter for the policyframers to determine. I do not believe that either party, DLP or BLP, would wish to divest the public transport system through the Transport Board of that element of social service, and to that extent, we would both agree that there should be a level of subsidization. The debate should, therefore, only centre around the quantum of

subsidy and how over time we would address it in terms of reducing that subsidy.

I think both parties have shown themselves to accept that there must be a level of subsidy in the public transport system. When the Honourable Minister of Transport and Works had responsibility for the Transport Board in the past, I believe, he recognized that. Other Members in here on both sides have spoken in similar vein on other occasions. But, luckily, research has shown up a new set of reasons - I would not say excuses - for the parlous state of the Transport Board and the problem of the deficit.

When the Minister opened, he would have us believe that it was all to do with the ineptitude of a succession of Barbados Labour Party Ministers of Transport, and it had to do also with the fact that, as he said, "the minibus operators were given the profit-bearing routes of the Transport Board. Thus began the magnitude of the Transport Board deficit." In 1988, that rationalization is now put upon the problems.

But on September 15, 1981, in the Hansard Debate at page 108 and following to page 111, when the present Minister of Transport and Works was the then Minister of Transport and Works, the Minister had this to say - I can quote this verbatim, because it is a different session, and I am going to take my time and quote it:

"Mr. Speaker, this debate affords us an opportunity to examine some of the more problematic areas with respect to the conduct of Government in this country. It takes place against a background of an international crisis which has been precipitated since the unprecedented increase in the price of oil in 1973."

Then he dealt with the difficulties of all Governments in managing their economic affairs, given the turbulence of the international situation.

He then said:

"Mr. Speaker, it is within this context that one must look at the monumental deficit that has been wrapped up by the Transport Board."

He then dealt with the philosophy or the policy alternatives, such as I have mentioned before.

He said:

"The confusion is illustrated in the fact that the Transport Board has been asked to carry over 1.2 million passengers over the age of 65 without the payment of any fares from these people."

Problem No. 1 - free transportation for old aged pensioners.

"At the same time, over the past two years or so, they have been expected to lose 30 cents on every fare for school children."

Problem No. 2 - I do not think either one of them has changed.

"Indeed, it is more like 25 cents since the Ministry of Education pays us - (meaning MTW) - only ten cents per child. So that, Mr. Speaker, is a problem. If we want the transport system of this country to be a charitable service, then it is useless to talk about losing money because we will simply give the people of this country the service gratuitously.

"It has been said before that an economic fare is so prohibitively high that no Government with a social conscience in this country could dare to implement it. It, therefore, seems to me that we have to be content with an uneasy compromise between giving the public a charitable service on the one hand and running the Transport Board as an economic undertaking on the other hand. If we do this, this always entails a degree of loss."

I presume that that is still the situation.

He said "The Honourable Member for St. Michael South" - whom I believe is the present Prime Minister - "spoke self-righteously as if to indicate that his party was free from any blame for the present state of the Transport Board, but I would like to invite him to consider this fact, that during the administration of his party," - (the DLP) - "over 100 buses were purchased that were lemons, or limes, and the cost to the public, the taxpayers and the transport of this country has not yet been quantified". That was in 1981.

"I refer to the Seddon chassis. These vehicles have been giving trouble from the day they were first bought. It was a major error perpetrated on the taxpayers of this country, and, therefore, when speakers have the audacity to declaim about the incompetence of the Transport Board, they need to be reminded that the Transport Board made a criminal and monumental error in wasting the taxpayers' money by purchasing these vehicles, vehicles which destroyed all of their tyres in a space of six weeks. You know what the cost of a tyre is?"

So the point that the Honourable Minister was then making that one of the problems with the continued

accumulation of debt went back to the days prior to 1976, during the administration of his party. I read the words:

"Since 1976 this Government" - (meaning the Barbados labour Party) - "has purchased 112 new vehicles, and in this financial year alone there will be 38 more new vehicles added to the fleet."

He went on to say: "This Government, committed to the principles of egalitarianism" - (The Honourable Minister said that! He was there! The BLP committed to the principle of egalitarianism!) - "has made available increased national assistance", and so on, Sir.

He said, Sir, at page 110:

"It is not known, Mr. Speaker, that one of the causes of this huge deficit, in the vicinity of \$17 million, that the Transport Board will face this year has been the inordinate amount of overtime that staff is required to work."

That is another problem identified.

"We have tried to pare this overtime, but earlier in this year this overtime was running at the rate of \$80 000, overtime caused by the necessity on the part of workers to try to keep buses that are barely road-worthy going, in order that a fleet of buses already inadequate will be available to service the needs of the people of Barbados. I repeat, Mr. Speaker, much of this money that has been spent on overtime has been spent on overtime to repair buses that the Democratic Labour Party, through its Transport Board, purchased with specifications that have caused the taxpayers of this country millions of dollars. It is a shame."

"I face the cumulative effects of neglect of over decades in the Transport Board system in this country."

Those are the problems identified by the honourable Member on September 15, 1981. 3.20 p.m.

We have run the full gamut of all the problems. We have been able to identify competition on lucrative routes, problems of overtime, problems of the lemons, problems of providing free services for old aged pensioners, highly-reduced and subsidized services for school children, and so on. There is an amalgam of problems. It is not one single problem, having to do, as the Minister suggested today, with the minibus operators being given profit-bearing routes.

Mr. CHAIRMAN: The honourable Member has another two minutes.

Mr. D. A. C. SIMMONS: Yes, Sir.

It therefore behoves all of us to put our heads together to work for the provision of a better transport system. We have taken the politics out of it. Today one person would say something when he is on one party, the next time he would say something else.

The document of the Democratic Labour Party, the manifesto of 1986, is singularly lacking in the presentation of any policy for public transport. What it does address, on page 25, as a vote-catching ploy to the same minibus operators, is a column dealing with minibus operations. But it provides no policy for the rationalization of the minibus operations within the total public transport system. It says:

"The D.L.P. recognises that minibuses have developed into an important and essential part of the public transportation service."

Acknowledges a fact

... "The Party has also taken note of the fact whereas the Transport Board requires very substantial subsidies every year to keep that sector of the service going, the minibus operators have been called upon to pay very high licence fees and taxes of various kinds into the Treasury.

And therefore you propose:

"To reduce all licences and fees"

"Construct a Minibus Stand"

"Permit a number of persons to stand in minibuses"

"Provide the same Duty Free concessions for replacements as those now enjoyed by taxis."

That is really all the policy is. There is nothing about how it is proposed to integrate that private operation within the general transport system.

Mr. CHAIRMAN: Time.

Mr. D. A. C. SIMMONS: The Minister has a golden opportunity to break ground and now fashion a policy that will rationalize the operation of the Transport Board buses and the private sector minibuses.

I am obliged to you, Sir.

Hon. Dr. D. G. BLACKMAN: I need to reply to certain things.

Mr. CHAIRMAN: The.....

Hon. Dr. D. G. BLACKMAN: I am not wrapping up, Sir.

Mr. CHAIRMAN: Very well.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, I am gratified to learn that in 1981, the specific request which I made of the Minister of Finance with respect to the payment of the travel of school children to the Transport Board, as well as the pensioners, was not met at that time. And when I charged that I repeatedly brought this fact to the attention of the then Minister of Finance and he refused to do anything about it until 1984, when appearances had to be saved for the benefit of the International Monetary Fund, that is borne out and is consistent in that speech of September 1981.

With respect to my criticisms of the Seddons, the criticisms were to the point, and I repeat it, that it is a serious error to buy buses in a cavalier manner. I took the necessary steps to remove the Seddons from the fleet. But the Barbados Labour Party failed to heed the toxin which I sounded with respect to the way in which buses were purchased, because the first set of Mercedes which were purchased were purchased with rear end defects and could not climb the hills in this country. I had to save the Government from a tremendous amount of embarrassment in getting adjustments made and having the buses run only on the flat road. Of course, when Vic Johnson became Minister of Transport and Works and fired all the management, and hired a man, who before he became Manager was selling rum at the airport, they did not know how to deploy buses, and most of those buses are now totally destroyed as a result of the blundering that took place at a ministerial level.

Not content with this warning or the experiences of the inept purchasing of buses in 1981, this Government went further and in 1984 purchased John Carey buses, buses brought in whole, which, as soon as they came on the road, cracked up. Millions of dollars have been spent in the repair of these vehicles. The strictures which I levelled at the Seddons apply with equal, or even greater, force to the purchase of the first set of Mercedes buses and the John Carey buses which were brought in whole, because it meant that that Government failed to take heed of the warnings which I delivered to them.

You cannot speak self-righteously of any speech I made criticizing the Seddons. I criticized them, because they were inappropriately constructed for the roads in this

country. The engine was too heavy for the chassis and caused the front tyres to be destroyed every six weeks. That is a criticism I made.

But you, Mr. Chairman, would be scandalized that the honourable Member for St. Thomas' Party never learnt its lesson, and subsequent to my warning, bought two sets of defective buses, and I, Sir, am going to quantify the losses that the Transport Board suffered as a result of the last set of buses. With the first set of buses, I was able to negotiate with Mercedes Benz and save them money and embarrassment! Do not come to me and talk self-righteously about people purchasing Seddons badly. The Barbados Labour Party Government purchased two sets of defective buses thereafter, and the Prime Minister of the day.....

(Aside: Who was he?)

Hon. Dr. D. G. BLACKMAN: went a long way - Tom Adams - to covering up the scandal that had been perpetrated by Vic Johnson, on the one hand, and Herbie Yearwood on the other hand.

Mr. C. L. TROTMAN (St. Michael Central): Mr. Chairman, the Manifesto of the Democratic Labour Party, in so far as it deals with minibuses, must not be seen other than in the framework within which the statements were made, and since we are needing to accept that we are all mature persons, it would need to be recognized that that was seen to be part of a policy determination which would be very clear to the thinking.

I am of the view that there are two important factors which we must be prepared to look at in this matter. One relates to the nationalization of transport, and the second relates to the socialization of transport. I am suggesting that they are not necessarily one and the same thing.

I recognize, Sir, that nationalization has to do with ensuring that the management, under the umbrella of the Government, would be so arranged that we could serve the best interest of all of the people of our country. That is an acceptable position. In so far as the socialization is concerned, I would recognize that we would want to ensure that that transport which has been nationalized is available to all persons who wish to use it.

In such a situation, Mr. Chairman, I think we would need to recognize that an economic bus fare would not be the kind of fare which any party in this country would wish to approach, even at this time. We may from time to time have to look at the level of the subsidy, but even within our concern in looking at that subsidy and at the level of that subsidy, we would have to examine certain rather important questions. First of all, Sir, we would have to consider

whether we can continue to have the level of subsidization which we currently have. Secondly, we would have to ask ourselves whether we can continue to have a single fare structure which allows for persons to travel any distance, or any distances, for a single fare. We would need further, Mr. Chairman, to recognize and to answer the question as to what will be the degree of nationalized transport that will exist in the future. Further we shall have to examine what will be the new relationship between private transport and public transport. 3.30 p.m.

It is obvious, when we examine the manifesto pledge of the Democratic Labour Party, that there will be a continuing relationship with a private system, and it is obvious to me, Sir, even if it is not obvious to everybody else, that we will want to continue a transport scheme, included in which we must have an integration so organized that the taxpayers do not find themselves having to pay subsidies at the same time that they make lucrative routes available to persons who are becoming wealthy from the utilization of those wealthy routes.

I am not for a minute suggesting that within our system of business a profit is not an acceptable thing. I am merely making the point, Mr. Chairman, that we cannot continue to have an arrangement where we will subsidize transport, and then having subsidized transport and asked the taxpayers to pay subsidies or pay increased taxes, remove the public transport system from those areas where they will be able to recover some of the revenue and leave those areas alone for the private system, further making it difficult for the said taxpayers to have to carry the burden.

My scheme for integration would be one which recognizes that it does not make sense to have two buses, for the sake of argument, leave Bridgetown at the same hour and travel one behind the other along the same route, one full and the other empty. We shall have, in my view, to find an approach which might very well accept that the public system and the private system may still be able to have buses going to the Pine, but that the route system which we could employ to have buses to go to the Pine may be one route applied to the private buses and a somewhat different route applied to the public buses. In this way, the public would be able to have the benefit of having both buses go in that direction, but not have the duplication which now comes out of the rivalry of the two systems.

It is my view, further, Mr. Chairman, that we would be able in Barbados to have several more rides recorded annually if we were so to structure our integrated system that the lucrative routes were recognized as being the lucrative routes and that the public became aware of the routes along which buses would then travel - it is just not enough to be able to recognize that it is important to make

the system change, but also to make the public aware of that change - and, secondly, Sir, so to organize time schedules that both systems would honour their commitment to move the travelling public. Within the second point, Mr. Chairman, if we are going to make subsidies and benefits available to the private system, they would have to recognize that they would have a commitment to move the public not only at special times, at peak times, but that they are going to be under some obligation, since they will have a route to travel, to carry those commuters at all times that the travelling public requires transport within reasonable hours.

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Underlying this problem, Sir, is the problem of training and the problem of discipline. Quite clearly, a disciplined work force is required within both systems. The organization that I have the honour to serve believes in a disciplined work force, contrary to the views that one may gather from somebody who has recently been spouting out «** in the *Nation* newspaper because there have been one or two work stoppages, and who would give the public of Barbados the impression that the work force has now gone hara-kiri.

From time to time, there will be stresses and strains within any work organization, and before we run to spout off at the mouth to argue that because there are one or two work stoppages, it follows that the work force is not disciplined, we should examine the totality of the situation. We should be prepared to give an objective analysis of the number of man hours that are lost in wage stoppages versus the number of man hours which were available to the country. We should look at the discipline that there is through a number of situations where the employers are very often very provocative in their action. Those persons who make the big fuss should recognize that, in many situations, the organizations they represent will know that they have workers who have problems, will know that the Employers Confederation, for the sake of argument, would have been told since September 1987 that employers have problems and that they need to meet to deal with those problems, and will refuse to meet, even though this is now February, although that is the same time they would want to tell the public that workers, in fact, are not being disciplined.

The point I am making, Mr. Chairman, is that discipline must not be seen as a situation in which a person uses a big stick to beat somebody over the head, but must be seen to be an organised, regulated system where proper personnel managements are set in place - I mean personnel managements that know about personnel - where we do not only concern ourselves in personnel management with hiring friends and firing those you do not like, but, rather,

set up systems where personnel departments are able competently to deal with recruitment, promotion, training and industrial relations, generally.

Mr. Chairman, both systems, the public transport system and the private transport system, would need to recognize this obligation to have discipline, because within that discipline system, the public would be better served, and I am satisfied there will be a greater ridership on the systems. Training within that system would need to come as a matter of course.

The Transport Board, some years ago, embarked on efforts to train. But I would believe that within their efforts to train, it must be recognised that the Personnel Department is not sufficiently adequately staffed to provide all of the facets of personnel requirements that there needs to be. It would seem to me, Sir, that the Minister will have to move with alacrity and dispatch to ensure that he enlarges the Personnel Department, and that he gets more persons, competent as the persons they now are, to be able to deal with all of the problems we have spoken about, including recruitment, promotions, training and industrial relations. I wish to stress, Sir, that the private system needs similarly to be disciplined and trained.

The final point I wish to make at this stage, Sir, is that it is obvious that within a private system which will have to honour its commitment to satisfy the commuters within its particular route, individual operators may have to subordinate themselves in management, and that they will need to set up within their own organization some co-operative structure which will so regulate the functioning of the minibuses that we do not have the kinds of problems which there appear to be at the moment, where buses may go within the routings that are given to them by their licences at anytime that suits them. It is my view, Sir, that we have to recognize that if we have that indiscipline, we cannot have a successful system, and if we do not have a successful system, we would always be back here having to answer the question as to whether we are going to have greater subsidies for transport, and then it becomes, all over again, a political football which does no one any good whatsoever. 3.40p.m.

Mr. D. J. H. THOMPSON (St. John): Mr. Chairman, I do not wish to be very long. In fact, in a sense I regret taking the course I am going to take, because I can probably sense the anguish that some people may have when one reduces a debate like this, which is intentionally concerned with a national statutory corporation or a national institution, and tends to introduce purely parochial elements into it.

I am not particularly surprised by the horror stories of the Transport Board which have been revealed to us by the Minister of Transport earlier today. I am not surprised at what can be described as the brutal and wicked policies that were pursued by the former Government with respect to the Transport Board. I think that many of us were aware of that during the period leading up to the campaign, and throughout the entire period that the Barbados Labour Party held responsibility for the Government of this country.

It is tragic that a group of men could find it so convenient to satisfy themselves at the expense of the satisfactory or competent operation of a public enterprise. It is even more tragic that a debate like this could be the subject, at the expense of the public, for Members of Parliament to often find it so funny and hilarious to trade with each other former speeches of who said what at one time about the Transport Board and who said what at another time. At the end of the day, the public transportation system is no better off and the public suffers, and this brings me now to consideration of the tremendous problems that are experienced by the people in the constituency which I represent.

The honourable Member for Christ Church West (Hon. H. deB. Forde) would have a very graphic idea of the story that I will portray, as he is a constituent of St. John who often has to drop several people to town on a morning. That is part of his new responsibility in that part of the island, and I am very grateful to him for that. It is not that it makes a lot of difference, because he already knows what impact on that you have had in that area, but I thank him for that, Mr. Chairman.

Asides.

Mr. D. J. H. THOMPSON: He has had a tremendous impact, and he knows that. I do not think he has any difficulty with it. The distribution of calendars is not even going to assist him in St. John at all.

The point is that unlike other constituencies in this country, during the period when the Barbados Labour Party was in office, St. John and St. Philip South are two constituencies that suffered tremendously.

Asides.

Mr. D. J. H. THOMPSON: Well, St. Lucy for the short sojourn that was spent by the honourable Member now for St. Lucy in the Other Place.

The thing about it is that in nearly all of the other constituencies which were not represented by the Barbados Labour Party, at least buses were passing through those

constituencies routed to constituencies where the Barbados Labour Party was represented. But St. John happens to be one of those constituencies, and St. Philip South, that a bus does not have to pass through to go anywhere. Either you are sending buses to St. John or you are not sending them, and for a period of ten years that constituency suffered tremendously, and is still suffering. In fact it was so bad one of the buses which is routed into Sargeant Street was sent by the Barbados Labour Party into St. Philip, so that when it passes back through St. John, it is full already and the people in Sargeant Street, and the area through which that bus travels, are unable to get to work.

This is a tremendous problem for the people of St. John, particularly those who work in the garment industry, data processing industry and so on, who have to meet certain time schedules for them to meet production targets who arrive late at work and are sent back home. It is also so for the other persons who work even in Government. But because of the parlous state of the Transport Board when this Government took office, it has obviously been unable to provide the best kind of service in that constituency, or the kind of service to which the constituency was accustomed prior to 1976.

The honourable Member for St. Michael East (Hon. Dr. D. G. Blackman), the Minister of Transport and Works came to St. John and I think explained as graphically there, as he explained here in the House of Assembly, the situation which the Transport Board was in, and explained graphically some of the efforts that this Government would be making to improve the public transportation system in this country. But I want it to be part of the record, and I want my colleagues and the Minister to know, as he already knows after being questioned thoroughly last Sunday by some of the constituents of St. John, that the constituency of St. John has suffered for too long. This may be a cry that people may think is one that we hear from M.Ps on some particular area of national life, time and time again, but when it comes to the bus service, the people of St. John, I think, have suffered for too long.

The story of the bus transportation system in St. John on nearly all of the routes is atrocious. Fortunately, since this Government was elected, and since I have become a member of the House of Assembly, the Transport Board has been able to send a bus service back into the Glenburnie area, which the honourable Member for St. Peter (Mr. O. S. Arthur) would already know, because I know he frequents that area himself.....

Asides.

Mr. D. J. H. THOMPSON: No, no! Do not accuse me of that! When I say that, it is just that the honourable Member for St. Peter enjoys the scenery in St. John. We

discuss it all the time. I am not letting any secrets out. The honourable Member knows that when I speak about Martins Bay and Glenburnie, those are areas that he has politically fine-tuned. That is all. He can tell me what is going on in Martins Bay, not that he has any ulterior motive for going down there. He likes the scenery, like I do.

Glenburnie is a part of Barbados that, in a sense, I discovered during the St. John campaign. I do not deny that. It is a beautiful area, and I wish more people would visit down there, like he and I do, to see the tremendous scenery that there is in that part of the island. We have an understanding on that, just as the honourable Member for Christ Church West and I have an understanding on the atrocious public transportation condition in St. John, and he certainly would join with me as a constituent in discussing that tremendous problem. 3.50 p.m.

All I am saying is that as a result of the careful attention that we paid to the St. John constituency and its transportation problem not only was the road in Glenburnie restored, but bus poles were installed and the bus service has been resumed, not on a full-time basis but I think at peak hours, on the Glenburnie route, which is part of the Foster Hall route, part of the Development Plan already in implementation, for the benefit of those who may not know, or may have doubt, other than the honourable Member for St. Peter. Those are the things that we promised and we are getting them achieved.

But there are still other areas of the transport system in St. John that are disgusting, to say the least Not only that - and this may be a question of personnel, I do not normally like to do this kind of thing - but when complaints are often made in the bus stand, the usual response from some of the inspectors and others is that, "If you want a bus, talk to David Thompson" and that kind of thing, which is a bit unreasonable. I understand that the Transport Board is facing these problems and I do not often blame the workers for adopting some of those positions at times because they may be equally as frustrated. But when some somebody takes a bus off a route in St. John, a bus that normally travels that route and sends it somewhere else, then I have reason for concern about some of the policies of the Transport Board.

The Minister has indicated that these things are being looked at, and I have confidence in his ability, in his understanding of the needs and the problems in the Transport Board, and the direction that was taken by the former Minister, the honourable Member for St. Michael North, in assessing the situation and ensuring that whatever the outcome, the public transportation system will improve in this country. Because at the end of the day, it is the working people in this country and it is the citizens who

need and rely on the public transportation who are going to be suffering most. It is not just a matter of us trading experiences in here of what somebody said at one time, as opposed to what they are saying now. It is a question of getting down to the serious work of ensuring that the public transportation system is improved and that the constituency of St. John is no longer neglected.

Thank you, Sir.

Mr. L. L. BRATHWAITE (St. Michael North East): Mr. Chairman, the problems which are today plaguing the Transport Board, indeed, the transport system in this country, has a long history, not so much because of the failure of the Barbados Transport Board to produce all the answers that are required for an effective transport system, but primarily as spelt out, in my view, by the Honourable Minister of Transport and Works as recently as today.

If you look, Sir, at the history of the nationalization of the transport service in this country, I think it began in 1955 and was, to some extent, extended in 1976. But by 1981, a two-tier system of transport was recreated by way of the introduction of the minibus service, to the disadvantage of the public Transport Board system in the country. One would only conclude that there seems to be some measure of confusion as to the type of transport service that the people of this country are expected to have. As the Minister spelt out, Sir, considering the handling and/or mismanagement of the transport system by the Barbados Labour Party's Administration, one wonders exactly what was the intention as they went from stage to stage in this confusion about an effective transport system.

I have raised a number of concerns which I have in the St. Michael North East constituency with the Ministry of Transport and the Transport Board in relation to a service between Exchange Hill, and if I want to use the shorter distance, I can say the corner of Hothersal Turning. On the route from Exchange Hill to Bridgetown, it is virtually impossible at certain hours, especially peak hours, to have a service for which the people in that area can feel that they can leave home and get transport to Bridgetown.

I have also raised with the Ministry of Transport the problem of persons being able to take a bus from Cave Hill to Bridgetown in the early hours in the morning. It seems to me to stem only from the fact that this confusion has created this situation in this area of the constituency, because with the demise of the Elite Bus Company, there has not been an effective service between Exchange Hill and Bridgetown, and similarly with Cave Hill. As soon as you had the influx of minibus men plying the routes, there was an ineffective service by the Transport Board between Cave Hill and Bridgetown.

What makes the matter more grievous is the fact that minibuses plying that route do not do the full journey from Bridgetown. In order to cut out the Transport Board buses, they turn around sometimes by the Lawrence T. Gay Memorial School and go back to Bridgetown. What is worse, Sir, is that at many points, and I think the Minister should take note of this, there are some drivers of the Barbados Transport Board who seem, in my own estimation, to be effectively controlling the intake of passengers by the Transport Board because of their tardiness and their reluctance to pass the minibus operators and pick up passengers on the route.

I think, Sir, that all this spells out a dissatisfaction that I can say my constituents have at those two points with the transport system in this country, because even if they are waiting for the minibus at Cave Hill in the afternoon to come to town, it is not easy to get it, because they are turning around mid-route. I had cause to speak about this already.

I would like to see, Sir, as a way of improvement for the transport service of this country, a meaningful regulation not only of the Transport Board buses but of the minibus operation. I would like to see a situation where the routes that are allocated both to the Transport Board and the minibus operators are amicably settled so that the Transport Board can have a meaningful share of the transport cake and the minibuses have the same.

I think, Sir, that when the honourable Member for St. Thomas (Mr. D. A. C. Simmons) picked up the 1986 Manifesto of the Democratic Labour Party, he said that it had just, in passing, mentioned something about the Transport Board, but he made specific mention of the minibus operation. 4.00p.m.

On page 25 of the Democratic Labour Party Manifesto 1986 what was said was:

"The D.L.P. recognises that minibuses have developed into an important and essential part of the public transportation service. The Party has also taken note of the fact that whereas the Transport Board requires very substantial subsidies every year to keep that sector of the service going, the minibus operators have been called upon to pay very high licence fees and taxes of various kinds into the Treasury."

I think, Sir, this is an indictment on the Barbados Labour Party Administration.

"The D.L.P. believes that the minibus operators are deserving of some relief from their financial burden and of encouragement and support in other ways in

return for the service they provide to the public. The Party therefore proposes -

1. To reduce all licences and fees by 50%.
2. To construct a Minibus Stand of similar standards as that which now serves the Transport Board at Fairchild Street.
3. To permit a limited number of persons to stand in minibuses as they are now permitted to stand in Transport Board buses.
4. To provide the same Duty Free concessions for replacements at those now enjoyed by taxis.
5. To permit access to BT licences under certain conditions where this can be justified.

"The D.L.P. would hope to see all Minibus Operators joining together for greater strength of representation and to that end recognises and supports the Minibus Association."

It is, therefore, not a point at this time for the honourable Member for St. Thomas, or the Barbados Labour Party, to wonder what is our stand as regards the Minibus Association and that of the Transport Board. All we are seeking, Sir, is to determine what is a rational service that the people of this country can be expected to have. I think, therefore, that we must in the long run look at this matter related to the transport service of this country as one which the people come first. We cannot afford to spend large sums of money in subsidies when we can effect a better service and cut down on those subsidies. So all I am asking, Sir, on the one hand is that we continue to look for ways and means of improving the transport service of this country, and more specifically, Sir, I am asking you to have a look at those areas which I have mentioned, between Exchange Hill and Bridgetown, so that the constituents of St. Michael North East can enjoy a much better service.

I thank you, Sir.

Asides.

Hon. H. deB. FORDE: Mr. Chairman, I am grateful to the Honourable Minister and the honourable Member for giving way, since I believe they both caught your eye before I did. The debate will conclude at 4.38 p.m., and I would not, therefore, take up the time of the House very long on this matter.

If it were permissible, I would really read into the debate the speech I made in this House on May 26, 1987, but the Rules of the House do not permit it. What I have

heard in here today, I have heard on numerous occasions over the last 15 years. It is not that we have not identified the problems of transport in this country. I think we have identified those problems quite clearly. The Honourable Minister, as long ago as 1981, when he took over responsibility for this subject, said then that there had been several studies done during the 1960s, and that all of the problems which confronted the Transport Board then in 1981 were documented, enumerated and brought to the attention of the then Government and nothing was done to come to grips with the problem of transportation in the country.

I do not even think that the problem is that the two parties are divided over the social philosophy which must be followed to have an efficient transportation system in this country. Although my party had the honour to have nationalized the Transport Board system, I believe that we are all very clear in our minds that the social cost of transportation demands that the economic cost must be shared not only by those who use the bus system, but by those of us who do not use that system as a regular means of getting to or from work, or to and from our leisure activities.

I believe very strongly that the better off in this community has to pay part of the cost of transportation, and that is why, Mr. Chairman, I have always strongly supported, and make no apologies as a person in public life for supporting, the Transport Levy. I think it was a properly conceived measure. I told the honourable Member then, when he was a member of our Party, that I supported him 100 per cent in putting the matter before the then Cabinet. I have supported the levy in this House as Leader of the Opposition when it was under fire from a couple of Members on the other side. I will continue to support the Levy as well founded' on a proper philosophy. I think that one has to recognise that the better off in this society must carry a social burden, and it is not a burden beyond the capacity of them to pay.

I also believe, Mr. Chairman, that the problem of the minibuses has to be solved, but I think that neither of these two political parties are going to get rid of the minibuses off the routes. If the Government has changed its view, a view that it had when it was in Opposition, I want to hear it clearly enunciated now. I asked in May 1987 if Government had changed its position on this matter. In my view, most of the people who operate the minibus system are small businessmen, not all of them, but most of them. Indeed, whenever - since the 1950s private enterprise has intervened in private transportation, it has been literally the small businessman who has taken the initiative, even if he has developed into a big businessman. I speak in particular, of businesses in the 1950s like the Rocklyn Bus Company, which really began with small persons, and even my own

adopted parents who went into transportation even prior to the Fifties and operated a service that the bigger people did not want to touch in those days. I think what we also have to recognize, regardless of where we sit in this House, is that it is not really correct to say, as the honourable Member for St. John (Mr. D. J. H. Thompson), says that nothing was achieved for transportation during the period of the Barbados Labour Party in the last ten years. I have mentioned the Transport Levy. The Transport Levy enabled us, whether you like it or not, to improve and increase the fleet of buses. 4.10p.m.

When the honourable Member came to Transport in 1981, I believe he made the point then, and it is still a valid point today, that there was the need for a continual renewal of the fleet of buses. Part of the Transport Levy was used for this purpose.

I recognize that there was a problem with the first set of Mercedes Benz that came down here. It was a problem relating to the torque ratio, the fact that the gradients in Barbados are so steep, although we are not a hilly or mountainous country, that they could not climb up the gradients.

Asides.

Hon. H. deB. FORDE: The honourable Member says I brought them here. The Mercedes came in under the Barbados Labour Party. The honourable Member for St. Michael East had the foresight to ask me and the then manager, Mr. Mitch Codrington, who went to Germany and negotiated for the correction of that problem when the persons who were giving advice at the Civil Service level - the Minister will tell you that - did not believe that the contract could be renegotiated - that is a fact, I would not get up here and make statements that are untrue - and the problem was dealt with. The news that the problem occurred after surprised me. I have no information on that at the moment, but that problem was dealt with, and it was felt then that the Mercedes buses were a better purchase than the Seddons had been or, indeed, the Leylands. Subsequent decisions were taken to bring back in the Leylands. I do not believe that we have brought in the Seddons.

What it underscores, I think, is that we have to continue to purchase buses to replenish our fleet. We have to have a proper system of getting rid of old stock, including old parts. There were a lot of old parts lying down there, they told me, about which nothing was done. I believe, as well, that we have to deal not only with what the honourable Member for St. Thomas (Mr. D. A. C. Simmons) and, I think, the Minister has spoken about, management systems, get them into place and make sure

that they work, but we have to deal with the whole area of physical conditions under which people operate at the Transport Board.

The J. C. King Study done in 1975 identified this problem. We have not yet dealt with it. I believe that if the Minister had time in this debate, as I have heard him done before, he would say, as those of us who have dealt with transport know, that we had some 30 buses to every pit. There are probably still eight pits dealing with the problem of buses that come in to be serviced. The ratio is more like you have to have eight buses for every one pit. We have not dealt with those problems. I think that basically, we know where we ought to go, but we have to have a system for years, planned over the next few years, of dealing with these problems, and that is one of the reasons why the Opposition has taken disagreement with the Government about the idea of abolishing the Transport Levy.

The honourable Member for St. Michael South Central (Dr. R. C. Haynes) is not in his place now, but last year he said to the House that within a year that Transport Levy would go. I say that that is a wrong policy, if that is the policy of the Government. It cannot go if we are to deal with the Transport Board and the transport problem in the long term and in a proper manner. That is a matter for the Government. They must take a decision on these matters. They are now the Government. I do not ask them to come in and blame us.

Last year, in May, I said the Government had had a year now and I asked them a whole set of questions as to how they were going to deal with the problems. I repeat those questions. They are in the debate for the purpose of the record. Tell us if you are going to issue new permits to minibuses. Tell us how you are going to reduce the number of minibuses on the routes. Tell us what is your policy towards the Transport Levy. We want to know all of those matters, because, to me, there are very pertinent to the whole debate we are going to have here and whether or not we are going to get the system under control.

As promised, so that the honourable Member for the City (Mr. P. J. M. Miller) can have a few moments, I want to end up on this. I believe that during the period of the Barbados Labour Party, which I now have the honour to lead, I said that there were some measures taken which no Government should be ashamed of. I mentioned the use of the Transport Levy. I think that between 1981 and 1984, out of that levy 130 new buses were purchased.

There was the improvement in some of the infrastructure. Can anyone deny that the bus stand is not a tribute to this country? People come from overseas and praise it. I hope that the Speightstown Bus Terminal, which the Minister visited the other day - the only regret is that he

did not ask the honourable Member for St. Peter to go along and introduce him to the nice people of St. Peter at the same time.

Asides.

Hon. H. deB. FORDE: If you come into my constituency I would be there.

Mr. CHAIRMAN: You have another two minutes.

Hon. H. deB. FORDE: Bus shelters, in my view, is a right policy that we should go into.

We need to get, of course, the management systems into place. That, in my view, is perhaps still our major problem, and we have to deal in a sensible fashion with the integration of the minibus system into the whole transport system.

I would rest my case on this. I believe that a proper system of transfers must be operating. When the Prime Minister spoke in 1981, although he received a bit of tongue-lashing from his present Minister of Transport and Works, who was then on the other side, conceded the fact that the minibuses had made a substantial contribution to this country.

(Aside: Hon. L. E. SANDIFORD: I did not concede anything. I said so.)

Hon. H. deB. FORDE: He said so. If he said so, it is a concession, and let me make it clear that we agree with that as well.

Sir, I am told that I am going over the time. I will leave some time for the other honourable Members.

Hon. Dr. D. G. BLACKMAN: Mr. Chairman, at the outset let me say that the policy enunciated by the Leader of the Opposition and the honourable Member for St. Thomas (Mr. D. A. C. Simmons) is a different policy from that which was pursued under the Administration of the late Tom Adams. It is a completely different policy.

The Honourable Leader of the Opposition would know that in keeping with the policy of the Ministry of Transport at the time, when he went to Germany and participated in the negotiations of the contract with Mercedes Benz for specific training for the introduction of a preventive maintenance programme and for many other things to be done within the Transport Board, none of this was implemented. In fact, he was excoriated by his colleagues, who said that Don Blackman sent him up there to do nonsense.

He was legal adviser to the Transport Board, and in this capacity he participated in the negotiations, but the policy that he supported then and the policy that he is advocating now, was not the policy of the Barbados Labour Party at the time, because, subsequent to that, the so-called Minister of Transport, Vic Johnson, proceeded to have his men chase the Mercedes Benz operatives and advisers out of the Transport Board. 4.20 p.m.

They then said that the proposed driver training programme was no good, that a bus is a bus. They scrapped the proposal to individualize the buses which the Honourable Leader of the Opposition negotiated, with serious financial consequences for the Transport Board. The drivers today have never been taught to operate those buses properly and have inflicted untold damage on the buses because they were not properly operated.

But let me start from the position that I believe is logically prior to all positions, and it is the policy of Government towards public transport. Obviously there is a social dimension to the provision of public bus transport services, and as a result of that, it is not possible for Government to formulate a policy of full-blooded commercialism with respect to the operation of the Transport Board. This is a position I stated in 1981. There must therefore be a balance struck between social imperatives and the necessity on the part of Government to husband its resources in such a way as to make sure that the other services which are badly needed in the society do not go starved, or are allocated inadequate resources because too much money is consumed by the Transport Board.

I believe, Sir, that a deficit in excess of \$20 million is unacceptably high and that it can be significantly reduced. No study has ever yet been conducted which would indicate the figure at which the Transport Board, functioning at maximum efficiency, could aim at as a deficit that is compatible with the wise and frugal use of the financial resources of this country. I had indicated the figure of \$7 million in a speech I made some time in 1986, and this figure is based upon the way in which the accounting was done, that is, an increase of Transport Board revenues by Ministries paying the Transport Board for the services that its clients use, plus the other duty free arrangements which the Ministry of Finance had conceded to the Transport Board by 1984. If those concessions had been made in the year 1982-83, when proper management was in place, the deficit would be 6.8 million.

It was actually \$14.8 million. If you take the \$4 million that we would have got from the Ministry, that would have reduced it to \$10.8 million, with monies coming from the Ministries of Education, Legal Service and Welfare, and if consumption taxes in the order of \$4 million

had been waived, it would have been pushed further down to \$6.8 million. That is why I have come to the conclusion that if proper management is in place, it is possible to have a deficit of \$7 million, based upon the kind of accounting systems which were in place in 1986.

There first must be a policy, and the policy must be that Government must provide a service which is capable of reaching everybody in Barbados. It is Government's responsibility. Government cannot depend upon private sector assistance as is now the case.

What Government recognizes, however, is the simple, incontestable fact about public transportation systems, that there is no public authority anywhere in the world that has been able to provide enough buses at any given time to satisfy peak hour travel. That is why any public authority in any country, in any city in the world, always has to rely upon support from the private sector in ensuring that persons reach home during peak hour travel. Whether they are official taxis, private taxis, private buses, as they are called in some parts of the United States of America, this is a recognizable fact, that compatible with efficiency, no public authority can afford the number of units that would be necessary to carry all the people who need to use public bus transportation at peak hours.

In this regard, the logistics of the situation demand - it has nothing to do with Government policy - that there must always be a place for private transportation. There will always be a demand at peak hours for minibuses. What the Ministry of Transport and Works, however, wants to say is that it is nonsense to come to this Honourable House and talk about reducing the deficit if the Ministry does not insist that the Transport Board recover a substantial amount of the revenue that is lost.

There is a way in which the Transport Board can do it, and the Transport Board has done it before. The Transport Board can do it once it has an adequate number of buses to ply on the routes that have been given over lock, stock and barrel to the minibuses, and as long as a service that is easily predictable and reliable is developed. In short, effective competition is the mode by which the Transport Board will recover the lost routes and lost revenues.

I see smiles of scepticism playing on the face of the Honourable Leader of the Opposition.

(*Aside:* Hon. H. deB. FORDE: Not scepticism, agreement.)

Hon. Dr. D. G. BLACKMAN: This is not airy-fairy thinking. This was done in the financial year 1982-83, at the beginning of which the projected deficit was \$17.5 million. I have indicated that if the present levels of accounting were

in place, that deficit would have gone to \$6.8 million. We were fortunate at that time to have new buses to deploy on certain routes, on short haul routes, and the competition of the Transport Board buses, coupled with reliability, made certain that the Transport Board recovered ground that it had lost.

As soon as the Transport Board started to recover ground that it lost on these profit-bearing routes, the minibus lobby within the Cabinet of Barbados sprang into action! This was the case. As soon as the minibuses started to experience a diminution in their profits, there was a problem with certain elements within the Cabinet of Barbados, and it was only a matter of time before those who are responsible for interfering with the revenue of the minibuses had to be put out of the way. That included your humble servant, Mr. Chairman.

Laughter.

4.30 p.m.

Hon. Dr. D. G. BLACKMAN: What I am talking about is stubborn, historical fact. What the speakers on the other side are talking about is something far removed from what was taking place at the time.

So we have a policy, a policy predicated on the belief that the Government can not afford to spend large sums of money on huge deficits when there are so many people in Barbados who need proper housing and other things. The deficit can be reduced to a minimum by taking certain corrective measures on the revenue side which I have referred to. There are other measures which can be taken on the cost side, and this brings me to the disastrous and myopic non-policies of Vic Johnson.

In the fir-it place, throughout the entire period of that Minister's tenure, he was always promising the people of Barbados to put management in place. His feeble attempts included in the management staff, a priest, who was capable of writing grammatically, and a man whose experience and expertise lay in the area of selling rum. These men together, successfully, literally, drove competent staff from the Transport Board.

I well recall that one of the benefits we enjoyed during the financial year 1982-1983 was from having a competent Financial Controller. As soon as the Johnson gang came into power at the Transport Board, the Financial Controller was requested to give up the combination to the safe, and fearing that he might compromise his professional integrity, he refused and resigned. A few weeks later, thousands of dollars were removed from a safe from the Transport Board. The proximity of the two events, Mr. Chairman, leaves one to wonder as to Whether this robbery, as it was called, was not carefully staged by persons within the

Transport Board. All kinds of malpractices became the order of the day.

The so-called Minister, in an attempt to look at cost control, decided, to eliminate overtime altogether, and to reduce the maintenance of buses to a minimum. Large numbers of buses were routinely parked at the Mangrove Depot, and on one occasion, at least ten buses had nothing wrong with them except that they had windscreen wipers missing or a mirror that was broken. There was no realization at the time that buses so parked were incapable of earning revenue that the Government needed.

The failure of the so-called Minister to have the members of the Transport Board implement the terms of the contract which was negotiated with Mercedes Benz resulted in what I would consider to be criminal losses. There were at least four buses that came into the fleet in 1983 and in fact were not serviced until early 1985 - four buses just running up and down like that.

When we uttered the word "management", it has to be clearly understood that management is not a talisman with which you can conjure. Management is not a word like abracadabra. Management, to be effective, must be carried out within the context of a policy. The policy must be clear and the policy must be in the interest of the people. The policy with respect to transport up to 1985 was steadily unclear, in my view, because of the surreptitious intentions on the part of the then Prime Minister to break up, or as people say, to "mash up", the Transport Board.

Management has to have clear directions in which they are told that certain specific targets must be reached, both on the cost and revenue sides, and held accountable to the achievement of these particular targets. So that we know that, as a matter of policy, the work shop within the Transport Board will have to conduct its business in a way that buses are properly and regularly maintained. Proper purchasing practices must be instituted. I regret that I do not have the time to go into the numerous malpractices that take place in the area of purchasing within the Transport Board, whether it is purchasing of tyres, electrical equipment, whatever.

We must not find ourselves in a situation as the Government found itself, and here, Mr. Chairman, I must congratulate my immediate predecessor, the honourable Member for St. Michael North (Hon. P. M. Greaves) for having done a sterling job.

Mr. CHAIRMAN: You have a minute to do that

Hon. Dr. D. G. BLACKMAN: I will tell you, Sir, why he did a sterling job. When he became Minister of Transport and Works, there was no management. There was

no Personnel Manager, no Financial Controller. You could not find a single managerial officer in place. He came in with no management, the management came in cold and new. He came in with a new board. A new Permanent Secretary and a new Minister, came in faced with a spectacle of unprecedented devastation in the Transport Board.

Mr. CHAIRMAN: The honourable Member, the time is running out.

Hon. Dr. D. G. BLACKMAN: I hope, Sir, that I can get back to these questions and discuss them far more definitively in the Estimates, because I believe the public of Barbados needs to be educated about what went on. There can be no cover up in the sordid history of the Transport Board within the last five years. We are going to talk about buses sold, buses disappearing, all kinds of things we are going to talk about. The whole sordid history of the Transport Board must be revealed to the public of Barbados.

Asides.

Hon. Dr. D. G. BLACKMAN: What? Stealing files?

Bankrupt policies must be exposed so that the people of Barbados will be able to understand the programmes and policies of the Transport Board. I am not going to be silent in criticizing anybody because they happen to be dead. People can preach and write until they are blue in the face, if I feel that it is necessary to refer to a particular history to explain the present, I am going to do it whether one of the malefactors is dead or alive. Do not appeal to me on those grounds. Do not try to shame me on those grounds, because millions and millions of taxpayers dollars today are wasted because of the criminal policies of a dead man, and I am bound to say it so that people can understand the truth and the facts of the situation. I am not going to hide it. 4.40 p.m.

I, certainly, as Minister of Transport, am not prepared to take any responsibility for something which I have not done, and to do this, the history of the past must be exposed. I am not going to bear the burdens of Vic Johnson, Tom Adams and company in the wrongdoings that they have done.

The Democratic Labour Party, in my view, made a cardinal error in not exposing these things immediately after the elections. I am not going to take the view that it is too late because we are nearly two years in Government to say it. I am going to say exactly what it is.

Mr. CHAIRMAN: The motion was put already and was seconded. I will now put the question.

The question that Head 42 stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1987 - 88 No. 37 -
\$1441082

HEAD 18-AUDIT-\$10 915

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, in moving the passing of this Head, the sums being requested, I must state, are small, and in the case of both items Object No. 2 and Object No. 25, there are a result of policies and decisions already taken and are, therefore consequential.

In the first instance, in respect of Subhead 1, General Administration Object No. 2 - Other Personal Emoluments - following upon a decision reached through collective bargaining, the first point in the salary scale, Z39 has been deleted, and this took effect from April 1, 1986. Additional funds are, therefore, required in the sum of \$4 000 to meet the consequences of that particular decision, and this involves the payment of increased salaries and also arrears to the staff involved.

In respect of Object No. 25 - Plant, Equipment and Furniture - the sum of \$6 915 is required so that adequate storage facilities may be provided at the Audit Department for documents. The Audit Department is located in the Treasury Building. Adequate storage facilities have not been available, therefore, there is the necessity for a cabinet and bookshelves. The conference table was not in a good state of repair and the typist chair was damaged.

The sum of money includes a re-vote of \$2 210 from the previous financial year, and it is for the purchase of some 19 chairs, a bookcase, bookshelves, a stationery cupboard, a conference table and a refrigerator.

Mr. Chairman, I beg to move that Head 18 stand part.

Hon. P. M. GREAVES: I beg to second that.

The question that Head 18 stand part was put and resolved in the affirmative without division.

HEAD 19 - MINISTRY OF FINANCE - \$39 312

Hon. L. E. SANDIFORD (St. Michael South): Under Utilities, Head 19, Mr. Chairman, is to be supplemented in the sum of \$36 000, and this is to pay the electricity charges at the Treasury Building, which is now fully occupied by Government Departments.

The Central Bank used to occupy part of the premises, and that institution bore a proportionate part of the expenses

for the utilities. Now that other Government departments have moved in the space previously occupied by the Central Bank, that part of the utilities bill now stands to be met by the Government Department.

In respect of Plant, Equipment and Furniture, there is a re-vote of \$2 800 which is required, and this is to provide an electric typewriter.

In respect of Subhead 14 - Supervision of the Insurance Industry - retroactive from April 1, 1986, certain adjustments were made to Category 9 of the Key Scales, and the sum of \$512 is required to augment the amount previously provided in order that increased wages and arrears may be paid to the appropriate persons.

I beg to move that Head 19 stand part. Hon.

P. M. GREAVES: I beg to second that.

The question that Head 19 stand part was put and resolved in the affirmative without division. 4.50 p.m.

HEAD 20 - REVENUE COLLECTION - \$282 313

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, under Head 20 - Revenue Collection - the Inland Revenue Department is Subhead 1. There are two specific items requiring supplemental provision, Rental of Property, and Plant, Equipment and Furniture. The Addendum is fairly full on this particular matter, Mr. Chairman.

The sum of \$22 887 is required to meet the rental cost of a photocopier and computer diskette machine. We may be misled by the actual note here. We are not paying for the rental of computer diskettes, but the machine in which these diskettes are used.

Under Object No. 25, we are seeking a revote of \$9 121 to meet claims for furniture and equipment, and under the Customs Department a sum of \$83 627 is required to meet increased allowances and arrears.

As far as utilities are concerned, under Object No. 27 the sum of \$3 452 is required to meet the charges for electricity at the Queen's Warehouse at the harbour, which is under the control of the Central Purchasing Department.

For Object No. 8 - Rental of Property - the Addendum is pretty full on that matter, and so it is with Supplies and Materials - Object No. 10 - where the number of Customs seals available are inadequate and so a further sum of \$28 090 is required to meet additional purchases.

The Land Tax Department. As a result of the deletion of the Z.39 point on the salary scale, consequential payments are being made to staff and the amount provided in the Estimates has therefore proved to be inadequate.

There are other items under this particular subhead for travel due to additional work by the valuers and a bill for the additional cost of utilities, electricity and water services due to the relocation of that department to James Street in the city. A small amount of \$100 required for the library of that department, and the supplementary sum of \$2 600 is required for maintenance cost to the end of the financial year.

Under Object No. 25, some \$25 100 is required for the provision of additional equipment to improve the efficiency of the department. This includes a Blue Ray machine for copying plans, a photocopier and an electric typewriter and a vacuum cleaner.

These are all part of the ongoing work of the department and the funds are required, and I beg to move that Head 20 do now pass.

Hon. P. M. GREAVES: I beg to second that, Sir.

Mr. C. L. TROTMAN (St. Michael Central): Mr. Chairman, I wish to make a brief intervention, but, hopefully, an important one; certainly for me it is.

In terms of the Customs Department, it is our view that they are making a tremendous contribution to the work of the Government. However, I wish to make the point that we have some matters to do with their conditions of service which are long outstanding. If it were that that were the only group in this position, I would not wish to make the intervention here, but I wish, Mr. Chairman, to make the point that other departments of Government, and indeed statutory boards, find themselves, in so far as the Barbados Workers Union is concerned, in a similar position.

I would concede, Sir, that the position has been tremendously improved since the change in Administration and that we have been able to get a number of matters dealt with on which we did not even get the courtesy of a reply for many years. But be that as it may, it is still a fact that many Government departments, and statutory boards, have still got several matters relating to their conditions of service posing bits of problems. Perhaps as a direct result of this, one would have noted certain stresses and strains, because from time to time those matters will reflect themselves in people's performance when they are not satisfied with the rate at which there is resolution to their problems.

I understand that such problems have shown themselves at certain public media stations and at certain other places which do not need to be mentioned here. Whatever the reasons were, I do not think that one could deny that underlying all of this is the problem that, in many instances, the persons have got outstanding conditions affecting their service which have not been addressed. The reason for this, as I perceive it, is that the Department of the Establishments Division of the Prime Minister's Office has got a very severe problem. There the situation is that although they are very competent and dedicated workers, in my view there is an inadequacy in numbers. I think it is really impossible for a staff of that very small size, having to deal with all departments of Government, all statutory boards, to do the co-ordinating function that is required, and to deal with not just one trade union but several trade unions in matters relating to the conditions of service of the entire public service, to competently, efficiently and speedily address the problems as they come to hand.

It is my urging, Sir, that the responsible Minister, indeed that the Government, act with speed to increase the numbers in that department so that we can have the problems relating to public, servants - restructuring problems, problems of conditions of service, problems, generally - resolved, which will go a long way towards making for a more dedicated and satisfied Public Service.

I thank you, Sir.

Mr. L. L. BRATHWAITE (St. Michael North East): Mr. Chairman, Sir, comparing Head 20, Object No. 8 and Object No. 25, I would like to ask the Honourable Prime Minister and Minister of Finance to give me a breakdown of the rental on the photocopier under Object No. 8 and the computing machine, because on the one hand, under Object No. 25 there is provision for the purchase of a photocopier, and under Object No. 8, provision for the rental of a photocopier.

Laughter.

Hon. L. E. SANDIFORD: In responding, Mr. Chairman, let me say, first of all, that it is the policy and practice of this Government to seek to ensure that harmonious relations on the industrial front should obtain as far as possible, and that we will seek, in accordance with the basis of collective bargaining, to deal with any problems that may arise from time to time. This applies certainly to the public sector, whether it is the Government departments or the statutory corporations, or boards under which those departments may operate. 5.00 p.m.

I certainly know and expect that similar harmonious relations will operate also in the private sector. From time to time, problems and matters do arise, but a good will and a mind to arrive at a suitable conclusion of those matters would certainly indicate the kind of spirit in which discussions and negotiations, should apply.

I am grateful to the honourable Member for St. Michael Central (Mr. C. L. Trotman) for drawing the matters that he has drawn to the attention of this Honourable Chamber.

In respect of Object No. 25 - Plant, Equipment and Furniture - for the information of the honourable Member for St. Michael North East (Mr. L. L. Brathwaite), for the Blue Ray machine for copying plants, the sum required \$7 000; for the Marathon Photocopier, the sum required is \$14 100; for the electric typewriter, the sum required is \$3 200; for the vacuum cleaner, \$800, giving a total of \$25 100.

I hope that information will assist the honourable Member in his comparisons. One is for purchase and the other is for rental, but it depends on the kinds of machines that you are using, and it is difficult to make comparison across-the-board in that particular way.

The question that Head 25 stand part was put and resolved in the affirmative without division.

HEAD 23 - LOANS AND ADVANCES - \$500 000

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, the sum of \$500 000 is being requested under this Head to supplement Subhead 1 - Loans and Advances - where the sum of \$1 325 616 was provided by this Chamber. The additional sum is required because the amount of money provided is depleted. It is for loans to students, and there is an agreement with the Inter-American Development Bank, which provides a loan for the purposes of expanding the Student Revolving Loan Programme.

The scheme operates on the basis that the Student Revolving Loan Fund meets the loans to the students up front and then there is a draw down from the Inter-American Development Bank. So we always have to make the provision in the Estimates, spend it and then claim the draw down. In this case, there is a particular Schedule under which the loan must be taken up and all of the money must be expended by a particular time. The loan should be fully drawn down by February 1, 1989, so there is just under a year for the full amount of this fund to be drawn down. All the funds are fully committed, that there is no shortage of persons applying for the loans, and many students have been assisted to pursue and to complete their programmes

of study, and, hopefully, thereafter, to contribute to national development.

Some problems have been encountered with this fund, because, in some instances, persons have been willing and eager to borrow from the Student Revolving Loan Fund, there has been a little tardiness in meeting the obligation for repayment, and I know the fund has been taking steps to recover the amounts outstanding, because it is supposed to be a revolving fund. The payments that are made into the fund assist in making new loans to new students, and it is really not in the best interest of our development that when loans are advanced, those who benefit under the scheme should act in a way that would tend to deprive others from obtaining the same kind of benefit and advantage which they obtained. So I will appeal to those who benefit and make use of these funds to stick to the terms of the agreement.

I do not think, Sir, there is anything controversial about this. It was a programme expanded under the previous Administration with this particular loan with the World Bank. The Student Revolving Loan Fund is a very old fund, and there is agreement on this.

I beg to move that Head 23 stand part. Hon.

E. E. GREAVES: I beg to second that.

Mr. R. L. MORRIS (Christ Church East Central): Mr. Chairman I want some clarification from the Ministry responsible for the Student Revolving Loan Fund. In our duties as representatives of various constituencies, sometimes we have to make representations for constituents and advise them on approaches to the fund. I have come across two difficulties, on which I would like to hear the Government policy enunciated. 5.10p.m.

One relates to foundation studies. I have been approached by a few young persons who want to do architecture, and I was at the time quite impressed with the persons' drive, initiative and qualifications to date. They wanted, on the instance, to go to England to do architectural studies, but they had to go into what is known as a foundation course, first of all, and they could not then get to the main course in Architecture unless they were able to succeed in the foundation course. But, apparently, the policy, at least at the time when I was making the enquiry, did not allow for any loans for foundation courses, and it seems to me that since these foundation courses are only in a few discipline areas, and a discipline like Architecture can be very useful for Barbados, we may need to look at the policy, even if it is only in restricted areas for foundation courses.

The second area, Sir, relates to the sometimes apparently narrow differences between courses that might be available at our local university and courses that are available overseas. Sometimes you find a person wanting to do, for instance, a Bachelor in Finance, and they might be informed that they can go to the University of the West Indies and do a B.Sc. (Accounting) but there may be some fundamental difference in the area of the courses. I believe that if we are too narrow in saying that the person should be able to do a B.Sc. (Accounts) or (Administration) here, rather than someone who wants to do Finance, and the courses that are presented overseas may be, indeed, essential courses which are not offered here, we can restrict gaining university qualifications in what can be extremely useful areas by restricting persons to education here.

I have all respect, of course, for local institutions. At the same time, I believe that there are some areas that could better be taught, or are available in the package that is needed, overseas at this time, whereas we may be moving in that direction.

I would just like some advice from the appropriate Ministry in terms of whether this has been perceived as a problem and whether any steps are being taken to deal with this problem.

Hon. L. E. SANDIFORD: Mr. Chairman, a very interesting question has been raised. I think we have to view it against the background of the particular discipline that one is considering and the amount of resources which might be available at any given time.

The Student Revolving Loan Fund was not envisaged as being able to meet 100 per cent of the cost of the study. It was, and is, more in the nature of assistance with educational expenses, and because funds are scarce relative to the number of applicants who may be seeking assistance from the fund, decisions have to be taken on what disciplines funds should be made available for, and how much should be made available to the student.

One can well understand that when you are taking those kinds of decisions, it is very easy to say that preliminary, introductory or fundamental courses should take low priority. If someone wants to study law - I am not sure what priority law is given under this, I believe, it is very low - some may get assistance under this programme, maybe, I am just using that as an example.

If someone has to complete, has a burning ambition to qualify as an attorney but has to do some preliminary course before they can be admitted to a course of study, that person may be told by the fund to meet that on his own, and when he has his full qualifications, then apply. If somebody wanted to do Architecture and is deficient in certain areas,

or has to do certain preliminary studies, maybe basic anatomy, or drawing, or something like that, or mathematics or a science subject to qualify, those who operate the fund may tell him the same thing. It applies also in the area of Dentistry and Medicine, where there are a number of courses designated as pre-dentistry and pre-medicine.

I do not think that there can be any hard and fast rule on this, because if there is a particular course of study or discipline which is in very great demand, and preliminary or fundamental courses are pre-requisites for getting into the main course, the national priorities might indicate that you should pay for those assists in meeting the fundamental course. I am not sure that that aspect of the problem has been fully sorted out, but I am sure that the Minister is giving attention to that. I think it has to be examined very carefully.

I do not think that at the moment architects are in under supply. There are a fair number. I remember the days when we were offering National Development Scholarships to get architects in place because they were in very short supply, similarly Quantity Surveying and Accountancy.

The problem raised is a very interesting one, and I think a flexible approach on this could be worked out.

The question that Head 23 stand part was put and resolved in the affirmative without division.

HEAD 43 -MINISTRY OF TOURISM AND INDUSTRY -\$628 542

Hon. E. E. GREAVES (St. Lucy): Mr. Chairman, this subhead seeks an amount of \$628 542 for the Barbados Industrial Development Corporation. This money is required by the corporation to meet outstanding commitments up to the end of the financial year 1986-87.

It is important for us to give an historical account leading up to this particular request. It would be interesting, therefore, to know that this problem had its genesis out of a number of difficulties which the corporation found itself in some time ago. Indeed, when representation was made by the IDC to the then Ministry of Tourism and Industry last year, the corporation was in serious financial difficulty. The requirement was for \$776 831, to meet expenditure which the corporation had undertaken on the Handicraft Training Programme and for other operating expenses, but because of the way in which the corporation was able to control its expenditure, we are now seeking a vote of this amount, \$628 542. 5.20 p.m.

The reason for the position which is faced by the corporation at this time is as follows. The Handicraft Training Programme, which was started in 1974 on a full-time basis, was curtailed in 1983 due to the lack of funds. After consultation with the National Training Board for the training of 289 persons, the programme was revived in 1985 and projected to run for a period of three years, at an estimated cost of \$217 198. This programme has now been carried out in its entirety, but the final cost of the programme was \$262 794, resulting in a shortfall of \$144 658 on the original budget. The National Training Fund has only contributed \$72 540 to the programme. The result is that the Industrial Development Corporation has had to fund the shortfall on an ongoing basis from its recurrent finances.

The second basis on which this sum is being sought has to do with a shortfall in the revenue which the IDC would normally expect from rents. For the 1986-87 period, the projected revenue was \$3 984 845. But this suffered a loss during that period of 26 per cent or \$1 024 178, at the end of December 1986, and this was due, mainly, to the non-payment of rent by occupiers of factories in the industrial estates.

In addition to that, the former Administration in early 1986 considered proposals for assistance to the manufacturing sector, and concluded that assistance should be given by way of the following: the granting of a subsidy of 20 per cent on current rental rates to the manufacturers who rent space from the IDC for a period of two years. This meant that there was a further shortfall in the rental income which would normally accrue to the Industrial Development Corporation.

These measures were not, however, followed by any increase in subsidies to the Industrial Development Corporation, and the result was that the IDC's finances were really placed in jeopardy. I said earlier on that, in spite of this, the IDC was able to control its expenditure, but even the control which IDC implemented could not contain the heavy burden that was placed on the corporation to continue to function as a viable and effective institution, fulfilling the role that it was mandated to play.

Thirdly, the IDC requires a further \$39 713 to settle an outstanding debt to the Ministry of Foreign Affairs. This amount was advanced by the Ministry of Foreign Affairs to the Consul-General in New York to make up a shortfall of rent payment by the corporation to Mr. Edward S. Gordan for office space during the period August 18, 1983 - April 30, 1984, when a new lease for the accommodation in New York was renegotiated. The IDC normally should have met the increase from its budget at that time, but this was not done, and in August 1986, the Ministry of Foreign Affairs

called on the IDC for payment to settle this outstanding debt.

So this request is summarized as follows: shortfall in Handicraft Training Programme, \$144 658; shortfall in rents, \$444 171; increased rent for the New York Office, \$39 713; making a total of \$628 542 to regularize the financial position of the corporation and to wipe out some outstanding commitments which should have been settled a long time ago.

I could easily sit down at this point, having given the background to this particular Resolution, and ask that the Resolution do now pass. I think, though, I would be failing in my duty if I did not use this opportunity to attempt to correct some misconception. Obviously, with time constraint which is imposed on me, I would have some difficulty in trying to deal with all of the points which I would want to deal with in this presentation. I am sure that many more opportunities will arise which will enable me to set the record straight and to indicate the kinds of policies and programmes which are being pursued by this Administration to correct any problems which exist in this particular area, which obviously relates to the manufacturing sector.

Now that the Leader of the Opposition is back in his place, I want to take the opportunity to refer to the fact that he had an opportunity, when he addressed the Barbados Manufacturers Association recently, to talk all over his face. It is interesting to learn from him that the Barbados Labour Party cares so much about the manufacturing sector in this country. One certainly would not have gotten this impression from the way in which they treated the manufacturers in Barbados from the time they assumed office in 1976. By the time they left office in 1986, the manufacturing sector was virtually dead, with many of the indigenous manufacturers on the brink of bankruptcy, and the entire industry was so punch-drunk by the blows which were rained on them by the Barbados Labour Party that they did not know where to turn. But the electorate intervened.

Let me hasten to point out, Mr. Chairman, that the manufacturing sector in Barbados is still in some difficulty. This is a fact.

Aside.

Hon. E. E. GREAVES: But there are signs of improvement. 5.30 p.m.

Asides.

Hon. E. E. GREAVES: It is true that there still needs quite a bit to be done for the manufacturing sector to play the kind of role which we expect it to play in our country, whether this role is the earning of much needed foreign exchange, the provision of employment, improving the skills base of our workforce, import substitution or providing an area for investment and profits.

Sir, in his address to the Barbados Manufacturers Association, the Leader of the Opposition made reference to stamp duties. I want, for his information, and the information of the general public, to set the historical record straight on this particular matter. Because one finds it very interesting to hear him pontificating on stamp duties when, in truth and in fact, stamp duties were imposed on the manufacturing sector by the Barbados Labour Party Administration, of which he was a part.

In 1982, a Stamp Duty rate of 2 per cent was imposed by the Barbados Labour Party Administration. The reasons given were that the ratio of import duties to the value of imports was declining. This trend had to be reversed by the collection of additional revenues. (2) The cost of providing Customs services was increasing. Additional revenue was required to meet these costs. (3) In times of balance of payments difficulties, attempts had to be made to restrict imports as much as possible. Pricing was considered to be a more effective means of doing this than licensing. (4) Jamaica, St. Vincent, Dominica, and Grenada had imposed an *ad valorem* charge on entries submitted to the Customs Department, and because of this action, Barbados should do likewise.

But it did not stop there, because in 1984 the Stamp Duty was raised to 10 per cent and in 1985 it was raised to 12 per cent. So it is interesting to hear the Leader of the Opposition, after this kind of experience, now taking the position which he has taken. But more of that anon.

It is also interesting that the Leader of the Opposition identified the very approach to the manufacturing and export sectors which is being pursued both by the Industrial Development Corporation and the Export Promotion Corporation. So what you are saying is nothing new. The Export Promotion Corporation in pursuing a policy - not what he described as a scatter shot approach, but an approach in which it seeks to identify certain items, and certain manufacturers who are producing items which can be exported. We are developing them, and, hopefully, in the process of time they will be able to gain with a hold in the markets both regionally and extra-regionally, as one would expect.

Furniture is one of the items which has been identified, and has been identified for some time, as a product with export potential. But there have been problems

with the Furniture Trading Corporation, problems which, I believe, are known to all of us, particularly members of the Barbados Labour Party.

It is a fact that we have had to collapse the Furniture Trading Corporation because of the very serious financial position in which it found itself, and which it could have found itself if it had continued operating in the way that it was set up. A study done by Coopers & Lybrand in 1986, a study which was commissioned by the board which was appointed by the Barbados Labour Party, found that the corporation was losing a lot of money. It was badly set up, and if you had continued operating in the way that it was set up, to operate by 1990 the losses would have been in the region of \$14.6 million. We could not subscribe to that. Furthermore, the efforts to get the furniture manufacturers to operate on a co-operative basis did not work out, and thirdly, the Pulaski exercise was simply a disaster. We, therefore, feel that we have got to reorganise the whole arrangement and our attempts to carve out a niche for furniture in the extra-regional market.

We have been able to identify as a fact that there is a market for 18th century furniture, but we have to be able to put in place the kinds of systems that would be able to take advantage of that market. The Furniture Trading Corporation, as it was set up, could not take advantage of the market, and the evidence is there. It was just continuing to lose money, and it was better for us to collapse that and re-think the whole approach, rather than going ahead and allowing the corporation to drain and waste taxpayers money, as was being done, and it would have even been worse if we had continued until 1990.

The Industrial Development Corporation and the Furniture Trading Corporation commissioned a study by a consulting group, ' which has made certain recommendations, having looked at the problems of the Barbados Furniture Trading Corporation, and the US market how best to approach this particular problem. As I said, it has been recognized that this is one of the areas in which we can go. We are looking at this, and, hopefully, in the not too distant future we will be in a position to make some announcements on this particular effort. We are hoping that we will be able to take advantage of a number of opportunities which exist there.

We have also identified handicrafts as an area in which we want to do some work. Certainly there are possibilities in this area, and we want to continue development. 5.40 p.m.

It is significant, Sir, that, as far back as 1976, the Manifesto of the Democratic Labour Party made reference to the establishment of a design centre for Barbados.

Aside.

Hon. E. E. GREAVES: The 1976 Manifesto of the Democratic Labour Party made reference to the need for the establishment of a design centre in Barbados. It is interesting again that the Leader of the Opposition is making the point that he wonders why it is that a design centre has not been established in Barbados like now. I also wonder, because ten years of Barbados Labour Party Administration did not see the establishment of a design centre in Barbados. Since this Administration came into office, we got a study for a design centre done and.....

Hon. H. deB. FORDE: With respect, Sir, the honourable Member

Mr. CHAIRMAN: On what is the .

Hon. H. deB. FORDE: On a point of order.

Mr. CHAIRMAN: A point of order.

Hon. H. deB. FORDE: The honourable Member really must not mislead the House. Even his own document laid today, Sir, on page 20 states quite clearly ----

Mr. CHAIRMAN: Which document is that?

Hon. H. deB. FORDE: The Barbados Export Promotion Corporation, on page 20, Sir: "In 1985, the Corporation commissioned a feasibility study on the establishment of a Design Centre for Barbados. This study commenced during the year under review and was carried out by Mr. Gerald Tyler of the Kilkenny Design Centre in Ireland."

Hon. E. E. GREAVES: Sir, the Barbados Labour Party was in power from 1976, and in 1985 they commissioned a study. They went out of office in 1986, and in 1988 the Leader of the Opposition is calling for a design centre.

The Democratic Labour Party is committed to the establishment of a design centre in this country and we are working towards the establishment of that. I can give the honourable Member the assurance that a design centre in Barbados will certainly be established within this particular period, because it is crucial, and indeed critical, to anything which we are going to do in manufacturing and in exports in Barbados.

Sir, that, of course, is not the only kind of thing which we are doing and where we see the necessity. Earlier on, when we were discussing the Transport Board and the vote for the Transport Board, reference was made to the need for management and training, and it is a fact that this is one

area in which we have to do a lot of work. I think that we still have the tendency to operate by management methods which are not really in keeping with a modern situation. Our training must be directed to answer the needs of the work force which is required for this time, and to answer the needs of the kind of management which is required to be able to deal with the problems of manufacturing, export, production and the whole range of issues.

One of the problems which one finds in manufacturing - and this is not necessarily an adverse criticism of the system which is employed by some manufacturers, particularly indigenous manufacturers - is that in some companies which have grown much larger than they anticipated and quicker than they have been able to put systems in place, one finds that the owner could very well be the production manager, the sales manager, the personnel manager and the finance manager, the whole range of disciplines which would be executed by a management team being undertaken by one person. I think that these are matters which have to be dealt with, and there has to be a revamping in the approach to management, and certainly in the approach to training, in this particular area, and this is an area which we consider also to be of critical importance.

We have also to look at standards. The Barbados National Standards Institution, along with the various agencies, have a role to play in trying to impress upon manufacturers the need to have proper standards, for reliability, proper costing and certainly the control of costs.

Talking about reliability and standards, I happened to be in the office of the Export Promotion Corporation in New York about two weeks ago when a package arrived from an exporter in Barbados with samples for demonstration to a potential buyer in New York. The way in which the box was packed meant that when the package arrived in New York all the bottles were broken.

Aside.

Hon. E. E. GREAVES: No, they were not products of the honourable Member for the City (Mr. P. J. M. Miller).

One could not believe that one would be attempting to export a product and not take care of proper packaging, even to the extent of preventing breakages and damages from taking place. All of these are things which we have to impress, and to me this is also part of management.

Over the last year, the Industrial Development Corporation has had requests for factory space which were running at an average in excess of the average which it had experienced previous to 1987. As I understand it, the demand in the previous years was approximately 120 000

square feet. In 1987, the demand was 188 135 square feet, and already in January we had a demand for 16 400 square feet.

The thing is, that for a promotional organization like the Industrial Development Corporation, it has to have space which it can make available at relatively short notice to a potential investor who comes in. If one has to wait until somebody comes and enquires and then goes and builds a factory, then you could understand the kind of problems you are going to encounter, because the person may well go somewhere else and set up the operation. It has to be clearly understood that Barbados is not the only country which is in the investment promotion business, there are lots of other countries competing, and it was very short-sighted on the former Administration to have scaled down the construction of factories and, for a period of time, not to provide the kind of money for this to be done. 5.50p.m.

Since we are on factory space, the Board of the Industrial Development Corporation - this would be interesting for the honourable Member for St. Peter, and I want to hear him on this - has taken a decision that the estate at Six Men's will no longer be pursued as an industrial estate. It was acquired in 1983. The corporation could not get people to demonstrate an interest in that estate and the board, in its wisdom, has taken a decision to divest itself of that and to offer it, in the first instance, to the National Housing Corporation, which, I gather, is quite willing to have to resile those persons on the western side of Six Men's whose houses are being threatened by the sea, a problem for which there has been crying need for many years. You will recall that in the by-election in 1984 in St. Peter, the Democratic Labour Party Administration indicated that they would turn this into a housing estate, so this is nothing new.

Mr. CHAIRMAN: The honourable Member must wind up now. You have one minute.

Hon. E. E. GREAVES: One final point, Sir. The world is experiencing difficult financial times. Barbados is part of the world. I think it means that all of us who have the interest of Barbados at heart must try to make sure that we do whatever we can to ensure that the confidence in Barbados and the Government of Barbados is maintained.

Sir, we have a situation where the former Governor of the Central Bank, who we all know has been mouthing.....

Asides.

Hon. E. E. GREAVES: I have not called anybody's name. Everybody knows him. I can call his name. I do not have to be afraid to call his name.

Courtney Blackman has been making statements outside of Barbados which are calculated to undermine the confidence of this Administration. It is a wicked and shameful act by a person who has had the distinction of being the first Governor of the Central Bank, because his services were not retained - sheer spite- that he is now attempting to undermine the confidence of this Administration. We cannot afford to let that happen. Somebody has to say something to him, and we, therefore, have to take him to task, because the statements which he is making now are statements which are different from those he was making when he was Governor of the Central Bank under the Barbados Labour Party Administration, and I am saying that it is wicked. It is dishonest and it is calculated to undermine the confidence in this Administration. I hope the message goes out to him, because, Sir, there are a lot more things that we can and will say.

I beg to move that Head 43 stand part.

Mr. O. S. ARTHUR (St. Peter): Mr. Chairman, Sir, the Opposition obviously will not vote against the amount of money which is designed to put the Industrial Development Corporation on its own financial footing. We will be supporting the expenditure of funds as required under Head 43. Indeed, Sir, it has been in the case of the Opposition that matters such as industrial development and export promotion have been receiving, in relative terms, too fractional an amount of public expenditure as compared to other areas, and we are very glad that this effort is being made to rectify a situation which was going adrift

As regards the specific Head, Mr. Chairman, which, in part, has to do with a shortfall in rental revenues, I must ask specifically of the Minister of Trade and Industry whether the shortfall in revenues has anything at all to do with the fact that there has been a serious downturn in the revenue intake in rentals by the corporation consequential upon a commitment given by the former Minister of Industry, that in keeping with the pledge on page 13 of the Democratic Labour Party Manifesto, the rental cost of factory space in industrial estates would have substantially been reduced. The Opposition needs to know, Sir, whether there has been a drastic drop in intake because manufacturers have taken the Government at its word and has acted on the commitment given that the rents would have been, to use your words on page 13, "reduced substantially". And, of course, this manifesto was written after the Barbados Labour Party had reduced rents in May of 1986, giving a substantial reduction on an already substantially reduced rental rate. So I really must ask, Mr. Chairman, has there been that reaction where intakes are concerned, and what is Government's position as regards the honouring of the commitment given at page 13 to undertake a substantial reduction in rents?

The Minister was good enough, Mr. Chairman, to broaden the debate beyond the narrow confines of the issues raised by the need to supplement the revenues of the Barbados Industrial Development Corporation, and he made reference to a number of particular points which, obviously, need reaction.

There can be no doubt, Mr. Chairman, that the industrial sector in Barbados today is, at best, idling. One of the major problems in this country is the fact that a once striving manufacturing sector, capable of catering not only to domestic markets, but to regional and extra-regional, has come under pressure of an acute form, and it does not behove the Minister of Trade and Industry to seek to ignore the grim realities of today and try to impute the blame for the contemporary problems of the manufacturing sector on the Barbados Labour Party.

I want to remind him, Sir, that under the Barbados Labour Party, and you have to be reminded in this House, the total credit to the manufacturing sector by the Barbados Development Bank increased from \$412 000 in 1976 to \$32 million by May of 1986. If we were trying to destroy the manufacturing sector, we certainly chose a very peculiar way to do it. Increase credit to the BOB from \$412 000 to \$32 million, and we were attempting to destroy the manufacturing sector! Small industries' credit increased from \$160 000 in 1976 to \$13.2 million by the time we left office!

I go further. We established an Industrial Credit Fund of \$20 million. We established an Export Credit and Guarantee Scheme at the Central Bank. We established as well, Mr. Chairman - and the House must hear these things - a system at the Central Bank to provide a guarantee for credit extended to small businesses. All of these things, Sir, while trying to destroy the manufacturing sector of this country! 6.00p.m.

What has been the bottom line, Sir? Exports increased from - how much? - \$170 million in 1976. By 1984, Sir, it was up to \$787 million.

(*Aside: Mr. P. J. M. MILLER: Leave out Intel.*)

Mr. O. S. ARTHUR: But Intel was functioning in Barbados. Why should we take it out? You took it out!

Laughter.

Mr. O. S. ARTHUR: Why must he say that we must take out Intel from our manufacturing exports when it was properly part of the manufacturing sector of this country? Intel is embarrassing you.

I am saying, Mr. Chairman, to the House that we chose very unusual ways to go about destroying a sector. We chose the way of increasing credit. In the last two Budgets presented to this House before the Barbados Labour Party left office, we increased the rebates to which exporters are entitled from 50 per cent to 80 per cent of profits earned from exports, and that is a matter of fact and of public record. We also brought into this House Mr. Chairman, a range of incentives designed to serve as the basis upon which this country could start making that initial step towards reducing our dependance upon CARICOM, and I am coming, Mr. Chairman, to the fundamental problem that faces this country as a result of the policies of the Democratic Labour Party.

You always have a problem, Mr. Chairman, and you will always have a problem, when you believe that what are deep-seated economic problems are political problems. The Democratic Labour Party came to office with a point to prove, a political point, and that political point, to prove was that our problems in CARICOM were not of an economic cause - that they had everything, and only that, to deal with a problem between Tom Adams and Pitt.

There was all this talk about breakthroughs to the CARICOM market....

Asides.

Mr. CHAIRMAN: I need not remind honourable Members of Order 33.

(*Aside: Mr. D. A. C. SIMMONS: Tell him stop shouting at me. I am going to holler back at him.*)

Mr. CHAIRMAN: I said all honourable Members. I did not specify anybody.

Mr. O. S. ARTHUR: There was talk about breakthroughs to the CARICOM market. We even had a situation in which the former Minister of Industry and Trade made a statement that all that it would have taken was a trip from Bim to Trinidad and all of our economic problems with Trinidad would have been resolved, ignoring the fundamental reality that the Trinidad economy was in the throes of a serious downturn.

Our economic policies, Mr. Chairman, as elaborated in two successive Budgets, was to start to take Barbados away from that narrow dependance on an economy in decline to make a transition into penetrating wider international markets. We are going to talk about that in the Budget this year.

What we are suffering from now in Barbados, Sir, is an inability of the Government, Sir, to resurrect, in many

respects, the dead. Those who, Mr. Chairman, believe that reliance on the Trinidad market for the big breakthrough in exports and jobs.

Asides.

Mr. CHAIRMAN: Let the honourable Member be heard in silence.

Asides.

Mr. CHAIRMAN: Let the honourable Member be heard in silence.

Mr. O. S. ARTHUR: This country has lost two years in trying to prove a point that did not have to be proven, because all you had to do was look at the economic circumstances of Trinidad, look at the economic circumstances of all other Caribbean countries, and you would have realized the futility of linking this country's export performance to economies which were shrinking.

As regards the Export Promotion Corporation, Sir, I have already argued the case, in the Estimates of this year, that it was a fundamental mistake for the Government this year to cut the subvention to the Export Promotion Corporation when we were facing a situation in which we had to be stepping up market promotion, product development and things of that character. These are the whirlwinds that we are now reaping, Mr. Chairman. Bad policies!

As regards the Stamp Duty of which the Minister speaks, let me refresh his memory. Our stamp duties were increased at a time when other Caribbean countries were imposing stamp duties on our goods. The situation today cannot be said to be equivalent. What you have now is a circumstance in which the principal market in the Caribbean, Trinidad, is prepared to remove the Stamp Duty. Therefore, we have to put ourselves in a position of correspondence, because the circumstances which would have led in the first place to our imposition of a Stamp Duty on CARICOM goods can no longer be said to exist. If the Trinidad Government was still imposing, or was still prepared to impose, a Stamp Duty on Barbadian goods, it would be ridiculous for us to say we should remove ours. But they have given a commitment that they will remove their Stamp Duty, provided other Caribbean countries would do likewise, and that is the basis for the call by the Opposition, Sir, for Government, which has put its mouth on the expansion of exports to Trinidad, to take advantage of even that minor concession that now becomes available to the people of this country.

The honourable Member for the City said he wants me to speak about export promotion, and about niche marketing.

(Aside: What do you know about that?)

Mr. O. S. ARTHUR: What do I know about it? I can come and help run the Minister's Ministry.

Mr. Chairman, I do not for one moment accept the view of those who would want us to believe that Barbados cannot profitably sell to extra-regional markets.

(Aside: Who said so?)

Mr. O. S. ARTHUR: Mr. Chairman, Al Knight came back once from a visit and said that the problems of selling in the extra-regional markets are too hard, let us go back to what we know about. And he represents a position of tremendous weight within the quarters of the Democratic Labour Party.

Laughter.

Mr. O. S. ARTHUR: He is a member, Sir, of the Board of the Industrial Development Corporation as well as the Export Promotion Corporation.

Aside.

Mr. D. A. C. SIMMONS: On a point of order, Sir. The honourable Member is misleading the House.

Laughter.

Mr. D. A. C. SIMMONS: In place of Mr. Knight....

Mr. CHAIRMAN: Will the honourable Member for St. Peter take his seat.

Mr. D. A. C. SIMMONS: they have a white fellow called Henk Bemhardt.

Mr. CHAIRMAN: Which honourable Member is misleading the House?

Mr. D. A. C. SIMMONS: All honourable Members.

Hon. E. E. GREAVES: On a point of order.

Mr. O. S. ARTHUR: You cannot have a point of order on a point of order, Mr. Chairman.

Mr. CHAIRMAN: The honourable Member cannot tell me that

Hon. E. E. GREAVES: The honourable Member for St. Thomas (Mr. D. A. C. Simmons) referred to Mr. Bernhardt. He represents, as far as I understand, the Chamber of Commerce.

Aside.

Hon. E. E. GREAVES: Just a minute.

Asides.

Hon. E. E. GREAVES: Mr. Chairman, if the honourable Member would take the time to examine the system under which the Export Promotion Corporation is set up, he would find that there are certain organizations which are supposed to nominate persons to sit on the board, and the Government cannot tell the Chamber of Commerce, or the Barbados Workers Union, for that matter, who to send as representatives. The Democratic Labour Party would not do that! Not like the Barbados Labour Party, because I remember once that they tried to do it.

Mr. CHAIRMAN: All right, point made.

Asides.

Mr. CHAIRMAN: Let the honourable Member for St. Peter continue his speech.

Mr. O. S. ARTHUR: I am obliged to you, Sir.

Mr. CHAIRMAN: Honourable Members, listen in silence. Order 33 demands that you listen in silence.

Because of the interruptions, I will give the honourable Member another three minutes to wind up.

Mr. O. S. ARTHUR: Mr. Chairman, the state of the manufacturing sector today, Sir, I think requires from us the clearest possible thinking. You cannot have clear thinking when we have the extravagant excesses of the Minister which would attribute a collapse of the manufacturing sector to the Barbados Labour Party. The record simply cannot show that.

The industry did face problems under us, Mr. Chairman, but there has been continuous and consistent public action to shore up the manufacturing sector in this country. I must stress the point, Sir, that the thrust of our economic policies in 1985 and 1986 were to start to lay a very secure foundation for this country to reduce its dependence on markets that were shrinking and take our place in the wider world. And I am very serious, Mr. Chairman, when I say that it behoves us now to start thinking as to how we can take advantage of the opportunities that we ourselves have created, those that are

made possible by the changes in the international taxes, and those that are made possible by changes in international markets. 6.10p.m.

As regards the statement of the former Governor of the Central Bank....

(*Aside:* Hon. E. E. GREAVES: Are you going to defend him.)

Mr. O. S. ARTHUR: I can speak for myself.

Mr. Chairman, Sir, as regards the statement of the former Governor of the Central Bank, it has to be recognized that the words of a person who has held that kind of position are the words which, obviously, will not be taken lightly. There are words which will be taken as serious words by observers in many different parts of the world and used in the forming of judgments regarding the future of the Barbadian economy. It is not the wish, Mr. Chairman, of the Opposition for the inflamed words of persons to be used in any respect to worsen the prospects of this economy, and I say that categorically.

Applause.

Mr. O. S. ARTHUR: I do not, therefore, hold a brief on behalf of the former Governor of the Central Bank, and I would have wished, Mr. Chairman, if he would have stated what one hopes would have been a professional judgment in words that were less inflammatory. He is entitled to a professional judgment as to whether he thinks a devaluation might be likely, as all of us are, but his words, in my view, Sir, seem to be inflammatory.

But I want to make the final point that there has been discussion on devaluation in this country from time immemorial.

Mr. CHAIRMAN: No, no. I cannot allow you to go down that line.

Mr. O. S. ARTHUR: Mr. Chairman, I want to make the definitive point

Mr. CHAIRMAN: No, I cannot allow you to go down.

Mr. O. S. ARTHUR: We in this country have, Mr. Chairman, to adopt a mature attitude on whether we are going to be terrorized whenever the question of exchange rates is posed. There are three major prices in any economy, Sir - the price of labour and wages - and we are free to discuss those; the price of capital and interest, and we are

free to discuss those; and the price of foreign exchange. It would seem that we are to be gripped at the throat

Mr. CHAIRMAN: Time.

Mr. O. S. ARTHUR: whenever a question of exchange rates comes up for discussion.

Mr. P. J. M. MILLER (City of Bridgetown): Mr. Chairman, I really had intended to make a short intervention but it became necessary to clear up a few points. I have ceased to be amazed really at the way the honourable Members on that side behave in terms of acting as though they do not have any knowledge of what the former Labour Party Administration did in relation to the industrial sector in Barbados. But I have come to realize, especially after listening to what was said about the Transport Board today, that it is probably some sort of a strategy to pretend that they do not remember what happened in the ten years of BLP Administration.

For the Member of St. Peter (Mr. O. S. Arthur) to list off a number of things that they supposed to have done in the interest of assisting in the development of the manufacturing, and I speak particularly of the indigenous manufacturing sector, is not good enough. We have to have some kind of philosophical base, and the programmes and policies must be clearly identified. We, particularly the functionaries in the sector, have to be satisfied that there is such a programme, and the honourable Member for St. Peter knows full well that he himself had difficulties with the former Prime Minister, Tom Adams, whenever there were matters to do with the manufacturing sector. It is no secret that the former Minister of Trade, Mr. St. John, had serious difficulties with Adams when it came to matters dealing with the manufacturing sector. I speak of Mr. St. John because I know first hand.

Aside.

Mr. P. J. M. MILLER: You want an example. A simple example - I say it is a simple one, but it was not simple to the people at the time - was when a certain company had difficulties in the Newton Industrial Park and the former Chairman of the IDC had serious problems in getting Adams to pay attention to the problem. It was a matter that had to be dealt with by the Minister of Finance, and his attitude was that they were not that important

But even now in Opposition, when the honourable Member for Christ Church West (Hon. H. deB. Forde) speaks about problems in the manufacturing sector and makes what he claims are suggestions to correct these problems - really dull echoes of things that have been said by many before, but I will get back to that - only recently a member of their Party said to me, "Man, why do you all not

recognize that the agricultural and manufacturing sectors are dead and concentrate on the ones that are alive, like services and tourism?" A top-ranking member of their party said that to me recently, and he was only echoing the „, sentiments of that party.

You would remember that when the Barbados Labour Party Administration was running the country, they formed a group called I think it was the Co-ordinating Committee for Industrial Development. To my mind, and I say this fearlessly, it operated more like a social club than any industrial development committee. I am not saying that to •* cast any aspersions on the members of the committee, but I am saying that because a lot of recommendations that were made from that committee that could have assisted in the kind of development that was necessary at the time, to head-off some of the same problems that we are experiencing now, were not taken seriously by the then Minister of Finance. So if the honourable Member for „ Christ Church West either cannot remember what was going on then or was not privy to what was going on, let him say so. But I cannot sit still and listen to the honourable Member making these statements, like he did at the BMA's meeting, giving the impression that he has now come with all the suggestions of how we can resolve the problems. And if you read it carefully - I do not have his full speech, but from what was reported in the Press - I do not see that ** he has necessarily come up with any new suggestions, or that he has got his suggestions that we can put into place now and get working.

They talk about how we are against a type of marketing that they talk about where we are not taking advantage of market niches. This is not true. A long time <•* ago the Barbados Manufacturers Association tried to interest the Barbados Labour Party Government in looking down this road, because recognized, long before that Government did, that trouble was coming in Trinidad. I told then the Minister of Trade, Mr. St. John, the bubble is about to burst, we have to start getting other markets other than Trinidad. Jamaica has virtually

Asides.

6.20 p.m.

Mr. P. J. M. MILLER: As a matter of fact, the honourable Member does not know that Basil Forbes and I were two of the people who gave the Irishman a lot of the information that he had to produce, the study that he is talking about. If the honourable Member does not know about these things, I am willing to tell him, I am willing to give him the information, so that when he addresses the BMA again, he will be able to address them in a manner that shows he is fully cognizant of all of the problems and is not just looking at the periphery.

For the manufacturing sector to break into this extra-regional market we keep talking about, a lot of other things have to be in place, and it takes time, unless you have a lot of money, to break into these same market niches that we are talking about. It takes a lot of the things that the Minister mentioned before. It takes training, and training at many levels, it takes a lot of research and development, research and development that we continue to call for within the BMA. We continued to call on that same Government for this research and development to be done in these extra-regional countries, but they were so busy counting the numbers and being able to come back time after time to the public and tell them, "You see, the exports have gone up, we have just shipped so many more millions to Trinidad," they were so busy scoring political points that they were not seriously paying any attention to the economic points, as the honourable Member for St. Peter was saying. He is accusing us of that now, but the honourable Member knows that when I sat with him, we were looking at the ramifications because of the Trinidad situation that was developing.

The moment Trinidad put on licences, I said to the then Minister, St. John, "This is the beginning of the end", and he said he could not see Trinidad trying that. These were his words, "They cannot try that." Then they came with the ECO forms, the currency forms, the exchange control forms as they are called.

Anybody who had the slightest inkling of marketing and who understood what was taking place in the marketplace in Trinidad, who understood the market forces that had started to operate, would have known that the time had come, and was even past, when we should have been working feverishly on extra-regional markets, because we recognized that Jamaica was a problem. We had a serious problem, first of all, to compete in terms of foreign exchange, the exchange rates between the two countries, and you had other problems. We had a licensing problem in Jamaica at that time, payment was a problem, and Guyana was out of the picture altogether, so we were left with just the smaller islands of the Eastern Caribbean, the OECS countries.

When the honourable Member for St. Peter makes the point that we were only walking about talking about the argument between Adams and Pitt, and using that to score political points, the honourable Member really is telling us that he does not understand diplomacy, he does not understand politics, he does not understand the way West Indians behave. If he did, he would know that there was serious damage done to the image of Barbados, and as a result, to the image of Barbadian manufacture and Barbadian goods. There were Trinidadians that were telling you, "Man, we are not buying anything from Barbados because we do not like the way you all are behaving

towards us." So do not let us discount the psychological effect it had, and do not let us believe that we can just come up with a lot of theory, and to a large extent use a lot of worn-out clichés and believe that that, though impressive it may sound in a speech, will answer the problems.

Aside.

Mr. P. J. M. MILLER: Your speech does not have me worked up. What has to happen is that the people of Barbados have to understand that this speech is carefully designed to give the impression that there is great concern for the manufacturing sector by the Opposition now, as the honourable Member for St. Thomas says, the new Barbados Labour Party. I did not even know there was a new one, but when one sees the number of calendars about the place, I guess there is a new Barbados Labour Party. It helps manufacturing, because the printers will get some work.

Aside.

Mr. P. J. M. MILLER: Mr. Chairman, they are this evening trying to prevent me probably from going into a lot of detail about some of the problems that were caused and some of the damage - the body blows, as the Minister calls it - that was done to the manufacturing sector, but I know that the time will come again that I will be able to elaborate more.

The honourable Member for Christ Church West says that the removal of the Stamp Duty....

Mr. CHAIRMAN: When? He has not spoken as yet.

Mr. P. J. M. MILLER: The honourable Member said at the BMA's luncheon, as it was reported, that we need the immediate removal of the Stamp Duty, and I heard the honourable Member for St. Peter come and echo that. When the Barbados Labour Party Administration, under Tom Adams, put that Stamp Duty on, I remember I was part of a delegation that went to the Prime Minister Adams and we asked him, not for the total removal of the Stamp Duty, because we knew we would have all kinds of arguments as to how he was going to replace that area of revenue, but we asked at least for the removal of the Stamp Duty on raw material inputs.

The Minister earlier said that one of the reasons that they gave for having the Stamp Duty was that they would encourage more Barbadians to buy locally-made products, because the imported ones would have a higher price, so we asked, to accelerate this encouragement, for the removal of this Stamp Duty. At the time it was 2 per cent. The then Minister of Finance, Adams, said: "Two is a small number, it is nothing that you all should worry about." And the next Budget he increased it by 100 per cent, and it went straight

to 4 per cent. I believe, if my memory serves me right, that between the Budget in April of that year and September of the same year they collected over \$9 million in Stamp Duty. So 2 was a small number but \$9 million was a big number.

You cannot talk about removal of Stamp Duty in a vacuum, we have to examine all of the other things that have to be done. As a manufacturer, I agree that any cost you can remove from any product that any manufacturer makes would be welcome. That should be obvious, but we cannot take that in a vacuum. Instead of coming in this Honourable Chamber and going elsewhere trying to score political points, I think that this is a serious enough thing that we should look more carefully at. We should look more carefully at measures, and I mean serious measures, to bring some turn around in the fortunes of the manufacturing sector, and I really hope that that member of the Barbados Labour Party who said to me the manufacturing sector is dead and we can leave it there and concentrate on the other ones that are still alive is really not echoing the sentiments of the Honourable Leader of the Opposition and the other Members on that side, and that in fact what we see here in terms of the speech to the BMA is just not a form of strategy to give the impression that there is so much concern for the manufacturing sector by the new Barbados Labour Party, as it is called.

When the Honourable Leader of the Opposition addressed the Barbados Manufacturers Association, he said that there was growing skepticism in terms of penetrating the extra-regional market. I do not know where the skepticism is coming from, I certainly know that it is not coming from the Government's side. I know that certainly in recent times the Export Promotion Corporation, which he continues to speak of as being their baby, has finally recognized that exploiting the market niches in the extra-regional markets is probably the only way at this time to go.

Aside.

Mr. P. J. M. MILLER: It is a valid point. It is a weak echo of a point that was made before, but it is a valid point, and it is not honest to say that we are not going after these market niches. I am sure that at the right time the Minister will go into more detail as to how we are vigorously going after these market niches.

It is all well and good for the honourable Member for St. Peter to talk about this Government not doing anything to solve the problems of the manufacturers. The honourable Member is probably not up to date, or he is not listening well, because he would know we have put together a body called the National Development Council. I believe the Honourable Leader of the Opposition could make a note for the honourable Member for St. Peter, who is not now in his seat. That body, as far as we were told by the former

Minister of Finance, the honourable Member for St. Michael South Central (Dr. R. C. Haynes), has the ability to take action on problems relating to any manufacturer. It has on it the Central Bank, the Industrial Development Corporation, the EPC and the Development Bank. Certainly, with those people on the board, if they discuss a problem and make a decision, action can be taken right away. I do not know how anybody could not recognize that as a positive move in the area of assisting the manufacturers. 6.30 p.m.

The IDC has started instituting certain programmes aimed at assisting manufacturers who are in problems. I know that right now there is a survey being carried out to look at the possibility of assistance in acquiring raw materials, and even substituting when those raw materials are not available.

I know, Sir, that you have given me the sign that my time is running out. I would just like to say that we have a responsibility on both sides of this House to recognize the contribution that the manufacturing sector has made, and can continue to make, in many areas, in terms of foreign exchange earnings, employment generation and the saving of foreign exchange. If we recognize how important that is, I think we have to understand that when we make statements, although we are all politicians and we tend to try to score political points, we must make those statements in a way that they can be of assistance to this sector. We must not only pay lip service. We must act in a way as though we are genuinely concerned and really want to see this sector returned to life.

Sir, I would like to support the Resolution.

Hon. H. deB. FORDE (Christ Church West): Mr. Chairman, I was very interested to listen to the honourable Member for the City (Mr. P. J. M. Miller). I regret very much that he was not present at the meeting of the Barbados Manufacturers Association to listen to the speech made by the speaker at the first monthly meeting of that organization. I do not know whether his absence was due to the fact that the harsh realities pointed out in that speech would have been a bit too difficult for him to digest, but I can assure him that I feel deeply honoured by the attention which the speech has attracted from the Minister and himself in this House. Were it not a worthwhile speech, Mr. Chairman, I am sure it would have been ignored. The fact that it was such a telling speech has meant this evening that both Members have thought it fit to go on the defensive, because, believe me, there is no way that this Government can be on the offensive in relation to manufacturing.

Let me make it crystal clear, Sir, no matter how many words may mask whatever has been said, the stark fact is

that we are now in a position in which our manufactured goods and the export of our manufactured goods have fallen significantly. We are today doing worse than we were doing some ten years ago. The honourable Member has to acknowledge that in fact, in the last two years the decline has been dramatic. The honourable Member has to acknowledge that as well.

The honourable Member keeps saying, both on his feet and *sotto voce*, that the principal reason why the figures showed such a bad situation was because of the loss of INTEL. The honourable Member must know that that is not the only reason for the loss. We have analysed in this House, both before the election and since the election, some of the problems that were occurring for Barbadian manufacturers within the CARICOM market. I have heard past Ministers of Trade and Industry, the then Honourable Bernard St. John and the Honourable Louis Tull, speak at length in here on those problems. From the back bench I spoke on them. What was being recognized then - the honourable Member is now appealing for a non-partisan approach - was that the DLP was ruthless as we came up to elections in characterizing the problems within CARICOM only in political terms.

The records will show that I made it quite clear then that various things - not only me, but other members of the party - were happening within the CARICOM market that could not be explained on a political difference over Grenada. We had a serious contraction in economic activity in Guyana, that is the first point, so a market that was important to our growing manufacturers was disappearing because of the lack of foreign exchange. No matter how much the honourable Member may talk, he has to acknowledge that whatever criticism there may be of the CMCF, the Barbados Labour Party saw to it that manufacturing got extended credit through the CMCF because it was beneficial to the Barbadian manufacturer.

There is not one manufacturer who can say that the \$115 million which represented goods has not been paid to them. It was a subsidy to them, although the Government had not collected it and we have taken the full brunt of the criticism that the collapse of the CMCF was because of bad management. When they have not attacked the past Minister of Finance, they have attacked the past Governor of the Central Bank, but the manufacturers should have been thankful, in any event, that in those days the Government itself was giving them the benefit of the exports because of Guyana.

Asides.

Hon. H. deB. FORDE: The Honourable Minister may make as many statements as he likes. I understand the position as carefully as them, having been one, at the time,

of the principal actors on the CARICOM scene, and having as much concern, although I am not in manufacturing as the honourable Member for the City of Bridgetown, for the future of Barbados. I have that concern because it has always been part of the philosophy in which I believe, that Barbados has a leading role, if not the leading role, to play within the Eastern Caribbean, and I have always from that thesis argued that we had to move into further unity with them, based on economic arguments to me as a Barbadian and looking at our history down through the years. I have not changed now, and I am not in it as a manufacturer, just as a person who I believe has an interest in this situation. 6.40p.m.

So to say that we were not doing anything for manufacturing is wrong. The problem was not being diagnosed correctly. Sir, I put it another way. I knew that the Democratic Labour Party knew that the problems were more than a difficulty with Trinidad and Tobago. But we were in an election position, and, obviously, the Democratic Labour Party, as the honourable Member for St. Peter has said, took a purely partisan line of this issue.

It was one of the worst mistakes in political judgement in the long term, for Barbados. It may have got them some friends in the short term, but what it did was enforce the Trinidad Government at the time not to give any ease on any of the major areas, and it instilled within Trinidad manufacturers the view - because they felt they had friends in Barbados at the time in the DLP - that they could pressure their Government to an unreasonable extent. The honourable Member must know that, and whenever one analyses the history of this period, it is something that the Democratic Labour Party Government must always regret.

Whenever it comes to international trade, international finance, international manufacturing and the political implications of it, I would debate with anybody any part of the world any time on these issues, particularly as it affects the Caribbean. I am sure that when you reflect quietly, you will see that the points I am making have to be valid. We should never have divided ourselves in that way at the time. We have paid the price for it.

We pointed out that the Trinidad economy would have to go through changes, and that when those changes come - and they have now come - although you may believe that your diplomacy is outstanding, home drums are going to beat first. That is exactly what has happened. It is obvious to me that the CARICOM market has been contracting particularly among the MDCs, because of problems in their economy.

We also had the other problem, Mr. Chairman, of currencies. If you look at Jamaica, there is no other country outside of Guyana in the Caribbean that I know has gone

through such a massive structural adjustment without the sort of social upheaval that one would have expected. If that had been tried here in Barbados, you would have seen people marching outside in the streets.

Let us face facts. They have managed to get themselves in a position by virtue of massive devaluation that, today, the honourable Member knows that the Barbadian manufacturer is hardly competitive with the Jamaican. Their wage structure is less than ours, and we have played right down the line with CARICOM and honoured the CARICOM Treaty right to the hilt. So what is the honourable Member going to tell us?

We went to Nassau and we argued with them and convinced them to reverse the position. They have not yet implemented the Nassau Agreement. You have to understand that. And the manufacturers must understand that there is an area where international politics hinges on their own livelihood and they have to take a different way.

Aside.

Hon H. deB. FORDE: The honourable Member may say that it strengthens his point, but it was not strengthening his point then.

When I speak to the Manufacturers Association - and he is trying to criticize it - I speak from a position where I feel I can stand up and look at policies of the Barbados Labour Party, enunciated against that background.

Asides.

Hon. H. deB. FORDE: The Barbados Labour Party that was established on March 31, 1938, all 50 years of it! That is the one I am talking about. The oldest surviving political party in the Caribbean. That is the one I am talking about. I am not talking about any other.

(Aside: The new Barbados Labour Party).

Hon. H. deB. FORDE: I am talking about that one, Sir, and the honourable Member must know that, Sir.

On this point, I believe that we have taken a sensible stand.

I want to talk very quickly on taking the Stamp Duty off raw materials. The honourable Member for St. Peter has made the point, and he made it quite correctly, about how that duty developed in the context of CARICOM. The honourable Member knows that, if he reads the files he will see that it is there. I have spoken to the Trinidadians about it, not only at ambassadorial level but at the level of politicians. It is now in Trinidad's interest to start easing the

Stamp Duty. Obviously, their self-interest becomes predominant. When it was in our interest to try to protect our manufacturers by giving them some tit-for-tat - and it was very seldom that Barbados had tit-for-tat.....

Aside.

Hon. H. deB. FORDE: If the honourable Member goes into the Public Library and reads the newspapers for that time, he will find that the Manufacturers Association of Barbados was asking the Government to take that sort of protective measure to force Trinidad to open. Go and do your research and look at it.

What we are saying is that now that they have recognized that Barbados has always had a principled position on this matter, and they have decided to move, albeit in their own self-interest, Barbados must also begin to shift its policy.

I recognize, Mr. Chairman, that the gross cost to the Treasury by the removal of the Stamp Duty is \$63 million.

(Aside: The total cost).

Hon. H. deB. FORDE: The total cost.

Aside.

Hon. H. deB. FORDE: The honourable Member has different figures. Ask the Ministry of Finance.

Mr. CHAIRMAN: The honourable Member has another two minutes to wind up.

I want to disabuse the honourable Member's mind that it is only on CARICOM goods that this problem occurs, because the Honourable Minister will know that there is a considerable amount of anxiety among the manufacturers about those, what you call, enclave industries which we may be attracting into Barbados - they are coming from outside - and which are getting advantages in areas where our indigenous industries feel that they can compete. They have the benefit of the incentives, so we have a case for a review of the incentives. So I am not only talking about the CARICOM. The honourable Member knows. If you do not know, I will come down there and spend a session with you, Sir.

(Aside: Mr. O. S. ARTHUR: Henry, no!)

Mr. CHAIRMAN: Another minute.

Aside.

Hon. H. deB. FORDE: If the honourable Member is reviewing it, I am glad to hear that he is. He must recognize that the Opposition does its home work and knows what it is talking about. There might be three of us, but the power when we come in here, the brain power, the research

(Aside: Hear, hear, hear!)

Applause.

Hon. H. deB. FORDE: is and the debating power there for you.

Applause.

Hon. H. deB. FORDE: The honourable Member was so taken back, Sir, that this afternoon he got up on the Design Centre, and he wanted the House to believe that the Design Centre was a matter on which he had taken positive steps. I think he was a little bit shocked that even before the ink is hot on laying this document in the House, the Opposition could point out to him that the study was commissioned in 1985 and that he has had it in the Ministry before that time.

Mr. CHAIRMAN: A good point on which to stop.

Hon. deB. FORDE: The honourable Member, ...

Mr. CHAIRMAN: Time, time, time.

Hon. H. deB. FORDE: One point. The honourable Member must recognize that with this Opposition he cannot take those latitudes. There will be a prompt reply to them all the time.

(Aside: You are enjoying it)

Hon. H. deB. FORDE: I enjoy in here. I enjoy it tremendously.

Laughter.

Mr. C. L. TROTMAN (St. Michael Central): I would wish, Mr. Chairman, to commence what I consider will be a rather brief intervention with an area of agreement with the Honourable Leader of the Opposition, that the CARICOM Multilateral Clearing Facility was a very important institution. Anyone who was responsible for its destruction then, especially if that responsibility came out of incompetence, such a person should not be the kind of person that we should want to take seriously in discussions that that person has made. 6.50 p.m.

The matter of CARICOM and the concerns for the Caribbean, especially as we are examining them at this time, must be a source of concern for all of us, patriotic Barbadians. Because I am satisfied, Mr. Chairman, that were we to visit any members within the region, especially if we were to take visits to what we call, perhaps inappropriately, the LDCs, we would be to our amazement, if amazement is still the word, certainly to our concern, recognize that much of the garments and other products which are displayed very openly show tags of having been made outside the region, and especially products which we have committed ourselves as a body, as a region, as wanting to ensure that they would be either made here, or that we have made every effort to keep extra-regional products from coming in on our markets. Yet we can see shirts with signs, "Taiwan," "Philippines", "China", or "Malaysia", much to our concern. Consequently, Sir, when the IDC in any Administration, the former one or this one, endeavours, as much as the IDC has done over the years, to fulfil its role as an engine of economic growth within Barbados, I would want to recognize those efforts and to express personal appreciation and to support the organisation for the efforts it has conducted over the years.

I consider the IDC to be a board where the staff has been very dedicated, selfless and, generally, giving tremendously through the efforts, in the interest of their country. I believe that out of those efforts, very often sacrificial efforts, we have over the years seen tremendous successes. Major companies, especially overseas companies, have been lured to our shores, and small businesses have got support. But we have also recognized that the IDC has gone beyond that and has given a lot of assistance and guidance through the establishment of Cottage industries, so much so that, especially in recent times, when because we had difficulties in being able to get bigger companies to provide the sort of employment levels that we were hoping for, those cottage industries were able to supply a level of employment and support for families for which we must be grateful in this country.

In that connection, Mr. Chairman, I wish to support the efforts being made, and having been made over time, especially for the Handicraft Training Programme, and for handicraft training, generally. It is true that that training was discontinued in the early 1980s, for whatever reason. Primarily, the reason given at the time was financial in nature. But I think it is generally fair and sound to say that during the time that the training programme was set up, and since its revival, that training programme has done much to assist small business persons to recognize the importance of being possessed of the capacity that they have, and in utilizing their entrepreneurial skills which they have, to make themselves into useful citizens of our country.

I think that many of us have taken example from those training programmes. In St. Michael Central, for example, we have recognized the benefits to be had from such a system, and we have started certain classes in handicraft, at no cost to our constituents, in things like floral arrangements, hair care, crochet, stuffed toys, cake icing, and the preparation of wines and preserves. Obviously, those classes having been of some help, we would have liked to continue them, but have not been able in the month of February because we have had to give over our constituency office to a fire victim and their family. The point being made, Sir, is not only to hope to get back that constituency office very shortly. The point being made is to make the point that it is only because institutions like the IDC had started programmes of that sort, and the YWCA, that several other persons, interested in community work of that sort, have been able to give assistance, so that when the pressure of unemployment had taken its toll, a number of families were able to get assistance and to be able to be trained in areas where they could not otherwise get employment.

I wish finally, Sir, to make reference to the money which is being brought to assist in the subsidization of rent. Over the years the IDC has taken many initiatives to give easement to renters of the IDC facilities at the various industrial parks. I had the honour to serve as a member of the Board of Directors of that institution, and I recall that on many occasions, when we have looked for initiatives to give assistance to persons who were having difficulties, we were under severe pressure, sometimes from the Ministry of the day, sometimes from the public at large.

Asides.

Mr. C. L. TROTMAN: The Ministry of the day, Mr. Chairman, would have been before 1986.

We were under pressure because, very often, people did not recognize our perception that it was very important to keep the doors of the various companies that were operating at our industrial estates open. I am pleased to have heard that because of the easement given over time, those businesses which might otherwise have gone out of operation have now been able to keep their doors open. So far as I have been able to understand, some of them have been able to improve their employment, and I gather that IDC has again started to receive certain rents, and certain arrears in rents which were owing overtime. I would love to see the occasion when those arrears will be fully paid up, and when the DDC may be in a better position to continue its function as an agency being able to recover the monies from the Consolidated Fund which are put up to it, both from the point of view of the rents that it is able to generate and, generally, from the value that is brought to it in costing

the number of new jobs which it can attract because of new industries.

It is a source of some pleasure to hear that some of the companies in Newton and in other estates are reopening, or extending their numbers. It is my wish that this will continue as a pattern, and that 1988 will see for Barbados a continued improvement in jobs through the efforts of the Industrial Development Corporation.

Hon. E. E. GREAVES: Mr. Chairman, I recognize that they are operating under pressure of time, and I am not going to put you under the long strain, because I know you have been sitting there for a long time, so I will be brief in my winding up since there will be many other opportunities in which to deal with these matters.

I want to respond to some of the points which have been made by the Opposition, and let me start with the Leader of the Opposition. The honourable Member stated that export manufacturing has fallen significantly and we are doing worse today than we have been doing ten years ago. This is a fact. But it did not start falling in 1986 when the Democratic Labour Party came into office. As a matter of fact, the decline in manufacturing had its genesis long before that, and in 1986 the electronics industry in Barbados and in the world went through a depressed state. The major contributors to our export earnings in the years which the Leader of the Opposition and the Member for St. Peter (Mr. O. S. Arthur) are referring to relate to the electronics industry, and that industry, worldwide, went through a depression. What do you expect, therefore, to happen to Barbados? Is there anything so significant about Barbados that you would have a recession in the electronics industry in the world and nothing would happen to Barbados? 7.00 p.m.

Intel closed its doors, and in 1987 our export figures further reflect that, because we did not get the full impact in 1986 of the closure of Intel, because of the fact that they still had a number of exports which, even although they had closed, would still be accounted for in the statistics.

Mr. O. S. ARTHUR: Mr. Speaker, on a point of order: It is entirely erroneous for the honourable Member to say to the House that there was a general collapse in our exports in 1986. The truth is, Sir, that in the first part of 1986 we did in fact export more than we exported in 1985. I think that information is necessary so that the House would be on all fours where this information is concerned.

Hon. E. E. GREAVES: Mr. Chairman, I do not really understand the point which the honourable Member is making.

Aside.

Hon. E. E. GREAVES: I am responding to the point made by the Leader of the Opposition about the fall in exports, and I am seeking to explain that exports were declining for some time and the electronics industry, which was one of the major sources of our exports, world-wide had been going through a state of depression, and we are still experiencing that today.

What one found was that CORCOM closed its doors in Barbados in 1985. That was an electronics industry employing about 400 or 500 people. I do not remember the value of the exports, but the value of the exports was significant. The Intel Corporation closed its doors in 1986. Playtex, which was manufacturing ladies' undergarments, also closed its doors. In 1987, Beltronics, which had developed into a large electronics company, had to undergo a major restructuring programme, and that also closed. These relate to factors which are external to Barbados, external to the Democratic Labour Party, so there is no point in trying to make this Honourable Chamber believe that the downturn in exports had anything particularly to do with the Democratic Labour Party. These are facts which we have inherited.

Mr. D. A. C. SIMMONS: On a point of order, Sir The Honourable Minister is misleading the House. In December 1985, the total value of exports was \$51 979 000. For December 1986, it had dropped to \$19 million. I am not talking about January when it was \$58.5 million in 1985, and in 1986 it was \$64.1 million. It is all here on page 68.

Mr. CHAIRMAN: That is no point of order.

Mr. D. A. C. SIMMONS: It is in the record though.

Mr. CHAIRMAN: I can have it expunged from the record as well.

Hon. E. E. GREAVES: Sir, the Leader of the Opposition stated that the position which the Democratic Labour Party took prior to the election led the Trinidad manufacturers to feel that they had friends in Barbados and therefore they were able to influence the Trinidad Government to harden its policy. It is a fact, which we both acknowledge, that the Trinidad Government has been undergoing and is still undergoing, some very serious economic problems, and what this Administration has been doing is trying to diversify in such a way as not to put all of our eggs in the CARICOM basket. Furthermore, we have not talked about the devaluation in the currencies in Trinidad and Tobago, Jamaica, or in Guyana. All of these are things which would have affected in some adverse way the whole situation relating to Barbados.

Barbados had nothing to do with the licensing policies which were pursued by the Trinidad and Tobago Government. The Barbados Government had nothing to do with the ECO programmes which were put in place by the Trinidad and Tobago Government. What we have been able to do is to impress upon the Trinidad Government that it was not fair to have these kinds of restrictions on CARICOM trade, and that these restrictions ought to be removed, and it is heartening to see that Trinidad and Tobago has moved towards a situation where they have removed the ECO requirements for CARICOM trade. But this is something which we have to monitor and keep hammering away at on a consistent basis, bearing in mind, Sir, that the Trinidad economy, and indeed all the Caribbean economies, are still in very serious problems.

On the question which the Leader of the Opposition raised about enclave industries and the advantages which they have on indigenous manufacturers, this nothing new, this is something which has been going on for some time, during his Administration.

Aside.

Hon. E. E. GREAVES: All right, you never had an Administration yet, you will never get one either, so it is during the Barbados Labour Party's Administration. There is nothing new in that.

A propos that, the Board of the Industrial Development Corporation undertook a review of the incentives which at present are offered to the establishment of industry and of manufacturing enterprises in Barbados, and that review was completed. The Leader of the Opposition would try to make us believe that it was something which was done in secret and he got hold of it in some surreptitious manner. I think the public of Barbados would have seen the Chairman of the IDC on television, when the report was handed in, making a statement to the effect that the IDC had commissioned a study on the review of the incentives which are offered to industry, and the report was being received. He has not revealed anything which anybody knows nothing about. 7.10p.m.

This is all part of, and it all has to be in tune with, an approach which is being adopted at a regional level which has to do with the review of fiscal incentives within the region. So I do not want the Leader of the Opposition to think that his revealing knowledge to people and he is coming up with new ideas that nobody has ever thought about. He is rehashing all that is being done. It is all old hat. This is stale.

In support of the point which the honourable Member for the City (Mr. P. J. M. Miller) has made on the market

niche, this is specifically what the Export Promotion Corporation has been doing. I would not want, Sir, at this point to tire you with much more in this reply, but from the point of view of the Export Promotion Corporation, I would like to say that even with a subvention in the financial year 1987-88 which was less than the subvention in the 1986-87 period, the Export Promotion was able, in my view, and certainly the record is there to show it, to do more work, to mount more missions, to work more closely with the manufacturers in a more ordered manner than has been done in the past. The results of this kind of work and these kinds of initiatives will not be seen overnight. There are fundamental problems which have to be corrected, and which we are sure will be corrected some time, which will put the manufacturing sector in a position to take advantage of whatever opportunities may exist in the marketplace, both regionally and extra-regionally, in the process of time.

Thank you, Sir.

The question that Head 43 stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1987-88
No. 36

HEAD 74 - MINISTRY OF AGRICULTURE,
FOOD AND FISHERIES -\$361 685

Hon. P. M. GREAVES: Mr. Chairman, as regards Subhead 21 of Head 74, it has become necessary to provide the workers at the Scotland District Soil Conservation Project with certain protective gear and clothing, for example, rubber boots.

I move that Head 74 stand part.

Hon. E. E. GREAVES: I beg to second that.

The question that Head 74 stand part was put and resolved in the affirmative without division.

On motion of Hon. P. M. GREAVES, seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN reported to His Honour the SPEAKER the passing of four money Resolutions in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Resolutions were read a first and second time and agreed to.

QUESTION TIME

Hon P. M. GREAVES: I move, Sir, that Question Time be now taken.

Mr. SPEAKER: Question Time.

The honourable Member for St. Michael North East, Question No. 31.

QUESTION RE STREET LIGHTS ON STADIUM
ROAD, ST. MICHAEL.

Mr. L. L. BRATHWAITE: Question No. 31.

To ask the Minister of Transport, Works and Telecommunications: Is the Minister aware that the Stadium Road, St. Michael, from its junction with the Bush Hall Main Road to its junction with the Waterford Road, is, (a) without any street lighting, thereby posing great danger to residents who have to travel after nightfall, and (b) in need of substantial repair, as it relates to its surface maintenance, and proper drainage, especially when there is heavy rainfall? 2. Will the Minister give the assurance that the users of this road will be relieved of this problem without further delay?

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, the reply to Parliamentary Question No. 31 is as follows:

"The Ministry will endeavour to have a limited number of street lights installed on Stadium Road on the basis of a report to be submitted by the Barbados Light & Power Co. Ltd. Some maintenance work has already been carried out on this road in the current fiscal year. The drainage system will be improved shortly within the context of the Ministry's Well Digging and Cleaning Programme."

Mr. SPEAKER: Supplementaries?

Question No. 35 is by the honourable Member for Christ Church East. He is not in his place.

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, I move that the reply to Question No. 35 be laid.

Mr. SPEAKER: Question No. 81 - the honourable Member for St. Peter.

QUESTION RE STATE OF ROADS IN VARIOUS
PARTS OF ST. PETER.

Mr. O. S. ARTHUR: Parliamentary Question No. 81.

To ask the Minister of Transport and Works. 1. Is the Minister aware that roads at Indian Ground and Four Hill, Collins, the Castle, and in the general Road View • area of St. Peter are in a serious state of disrepair? 2. If the answer is in the affirmative, will the Minister please state when repair work on the roads cited will be undertaken?

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, the reply to Parliamentary Question No. 81 is as follows:

"I am aware that the roads are in a state of disrepair. The roads at Indian Ground, Four Hill and Collins are expected to be repaired shortly while the roads at the Castle and Road View will be considered for inclusion in the 1988-1989 Roads Programme."

Mr. SPEAKER: Any supplementaries?

Mr. O. S. ARTHUR: None.

Mr. SPEAKER: Parliamentary Question No. 40. The honourable Member is not in his seat.

Hon. M. A. KING: Mr. Speaker, I ask that the answer be laid on the Table of the House for the files.

Mr. SPEAKER: That brings us to the end of Replies to Questions.

ADJOURNMENT

Hon. P. M. GREAVES: That also brings us to the end of Government Business for today. 7.20p.m.

Mr. SPEAKER: I have an announcement As Chairman of the Debates Committee and Speaker of the House, I want to announce that a Clerk has been appointed in the person of Mr. George Brancker.

Applause.

Hon. P. M. GREAVES: Sir, I move that this House do now adjourn until Tuesday, February 9, 1988, at 12.00 o'clock noon.

Hon. M. A. KING: I beg to second that, Sir.

The question that this House do now adjourn until Tuesday, February 9, 1988 at 12.00 o'clock noon was put and was resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.
7.24 p.m.

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SPEAKERS IN THIS ISSUE

ARTHUR, O. S. (St. Peter)

BLACKMAN, Hon. Dr. D. G. (St. Michael East)

BRATHWAITE, L. L. (St. Michael North East)

FORDE, Hon. H. deB. (Christ Church West)

GREAVES, Hon. E. E. (St. Lucy)

GREAVES, Hon. P. M. (St. Michael North)

MILLER, P. J. M. (City of Bridgetown)

MORRIS, R. L. (Christ Church East Central)

SANDIFORD, Hon. L. E. (St. Michael South)

SIMMONS, D. A. C. (St. Thomas)

THOMPSON, D. J. H. (St. John)

TROTMAN, C. L. (St. Michael Central)

WEEKES, His Honour L. A. (St. Michael North West)

In recognition of Haiti's position as part of the wider Caribbean, the Caricom Heads of Government in 1984, decided at its Fifth Meeting to grant observer status to Haiti in Caricom meetings of the Standing Committees of Ministers responsible for Labour, Agriculture and Education and the Conference of Ministers of Health.

In February 1986, President Jean Claude Duvalier succumbed to mounting pressure and fled the country. A military/civilian national council under Lieutenant General Henri Namphy took control of the government.

At the Eighth Meeting of the Conference of Heads of Government of the Caribbean Community in July, 1987 it was decided that extension of CARICOM relations with Haiti would be conditional upon the holding of proper elections in that country.

Foreign Policy Principles

The foreign policy of Barbados is based on the principles of freedom and justice for all, respect for human rights, the advancement of democratic values, promotion of economic and social development, and the strengthening of ties of friendship and cooperation among countries, particularly among the nations of the Caribbean region.
12.25 p.m.

The Haitian Constitution of 1987

Barbados has taken note that the new constitution of Haiti which was ratified by referendum and proclaimed in 1987, embodies principles not dissimilar from those in our country.

Indeed, the preamble to the constitution states inter alia:

The Haitian people proclaim this Constitution in order to:

Constitute a socially just, economically free and politically independent nation;

Implant democracy, which entails ideological pluralism and political rotation and affirm the inviolable right of the Haitian people;

Set up a system of government based on fundamental liberties and respect for human rights, social peace, economic equity, concerted action and participation, of all the people in major decisions affecting the life of the nation....."

The Barbados Position

The people of Barbados were deeply shocked by the acts of violence which took place in Haiti prior to and on polling day, November 29, 1987 resulting in tragic loss of life and the cancellation of the election scheduled for that date.

There was further outrage when the National Council of Government of Haiti dismissed the independent electoral council and established its own electoral council which proceeded to announce new electoral procedures that violate the accepted norms of democratic elections.

The position of Barbados in response to the foregoing developments was and continues to be based on the following propositions:

- (i) Barbados, along with other Caribbean people, expresses its interest and solidarity with the Haitian people in their evolution towards the goals of economic development and democracy.
- (ii) « The people of Barbados will not recognize any government of Haiti which has been elected by a process which allows candidates to distribute ballot papers, which insists that voters mark their ballots in the presence of Electoral Officials, give their ballots to Electoral Officials who then take' their names down;
- (iii) Barbados urges member states of Caricom to aim at the fullest possible coordination of their foreign policies, to seek to adopt as far as possible common positions on major international issues, and in particular, an agreed position on the Haitian problem;
- (iv) Barbados urged that the election set for January 17 should be postponed in view of the deplorable acts of violence which had occurred, the dissolution of the Provisional Electoral Council, and the proclamation of a new electoral law excluding independent observers from the polling stations, requiring candidates to print and distribute their own ballots, and permitting soldiers into the polling stations. Barbados further urged that representatives of Haiti emerging from the election scheduled for January 17 should not be allowed to sit as observers on the four Councils of Caricom to which they have observer status. „

The Barbados position therefore centred on the issue of recognition and the issue relating to postponement of the scheduled election.

Postponement of Election

In respect of this issue, Barbados was so deeply revolted by the violence, the malpractices in the electoral machinery, and other machinations that it proposed the postponement of the election, the rescission of the new electoral law, the reconstitution of the Provisional Electoral Council in accordance with the provisions of the Constitution, and the grant of the necessary support and protection to the Provisional Electoral Council so that it could rebuild the electoral machinery and conduct a free and fair ballot. However, during the course of the Caricom meeting at Hey woods on January 6, 1988 the point was repeatedly made that the constitution of Haiti itself called for elections and for a new President to take up office on February 7, 1988. It was further argued that a meeting of democratic countries should not be seen to be advocating the breach of a Constitution which had been popularly acclaimed by referendum. That view prevailed. ^

Issue of Recognition

It is a cardinal principle that the people of every nation have the right to choose their own form of government as well as the public officials who will give practical effect to their Constitution. It is also a cardinal principle that the right to recognize or not to recognize another state or government resides peculiarly in each sovereign state, and no sovereign state, including Barbados, can surrender that right. "

The question of recognition does not normally arise in the case of a government coming into office through normal constitutional procedures. However, a government coming into office through processes that violate accepted constitutional or electoral procedures may give rise to the question as to whether that government represents the popular will or is competent to claim so.

Assessment of January 17 Election

On 19th January, 1988 I informed this Honourable Chamber that the Government of Barbados was examining the reports from a diverse variety of sources on the conduct of the Haitian elections of 17th January, 1988, and that in the fulness of time a statement of the Barbados position in respect of recognition of a government emerging out of those elections would be made.

The Haitian elections of January 17, 1988 have been widely condemned as being riddled with irregularities. These have been reported to include:

- (i) multiple voting
- (ii) ballot buying
- (iii) ballot stuffing
- (iv) voting by minors
- (v) many ballot boxes unlocked
- (vi) absence of secret balloting at many stations
- (vii) manipulation of and inconsistency in the electoral returns
- (viii) very low voter turnout

Haitian officials themselves are reported to have acknowledged that the election had been flawed by cases of fraud.

Even the successful candidate is said to have admitted that there had been irregularities but that this happened in all countries.

The Government of Barbados considers that the elections held on January 17 under such conditions cannot be characterized as being either fair, free or proper.

Consistent with its previously announced position, the Government of Barbados therefore states that

- (i) It does not recognise the results of the elections of January 17, 1988 as the legitimate expression of the will of the people of Haiti.
- (ii) It does not recognise the government which has emerged from those elections as being genuinely representative of the broad masses of the Haitian population.
- (iii) It will not in the present circumstances accredit an Ambassador to Haiti nor accept the accreditation of a Haitian Ambassador.
- (iv) It will urge its Caricom partners to hold in abeyance the observer status granted to Haiti in the Standing Committees of Ministers Responsible for Labour, Agriculture and Education and the Conference of Ministers of Health.
- (v) It will urge its Caricom partners not to extend Caricom relations with Haiti under the present circumstances.

Barbados calls upon the Haitian authorities to take steps to institute the processes

4 of genuine democracy. Evidence of clear and positive signs in this direction will evoke a sympathetic response from Barbados. We stand ready to work along with our Caricom partners and with member states of regional and international bodies to assist in the promotion of democracy and economic development in Haiti."

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is now the instant order of the day.

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I move the suspension of Standing Orders for the day. and these Standing Orders are, 6,16,18,20,42(5), 43 and 44.

Hon. M. A. KING: I beg to second that.

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

GOVERNMENT BUSINESS

BILL TO AMEND THE CONSTITUTION OF BARBADOS

Order No. 3 was called - To move the second reading of a Bill to amend the Constitution of Barbados.

Hon. M. A. KING (Christ Church West Central): Mr. Speaker, the Barbados Constitution, which came into force in November 1966, has undergone two major amendments, one in 1974, by the first Democratic Labour Party Administration, and the second one in 1981 under the Barbados Labour Party Administration.

Asides.

Hon. M. A. KING: I said "major." Yes, there was another amendment in 1981, but that, in my view, did not assume the same significance as these two amendments.

Mr. Speaker, you will recall that the 1974 amendments generated lots of heated political debate and, in fact, divided the country. As we look back to those amendments from this vantage point of 1988, I think it is fair comment to say that the divisive political debate which took place at that time could be regarded as no more than political grandstanding on the part of those who then opposed it, because 14 years after those amendments have taken place, and after ten years of Government by the Opposition, those amendments still remain part of the

Constitution of Barbados, despite the numerous occasions which would have presented themselves for amendment.

One of those occasions, of course, would have been the occasion of the 1981 amendment of the Constitution introduced by the Barbados Labour Party Government which, in essence, provided for the establishment of an Electoral and Boundaries Commission. These amendments were passed by this Honourable House and were assented to by the Governor-General on May 7, 1981, but they did not, in fact, come into existence before April 1, 1985. They sat on the Statute Book for some four years before being brought into effect. Some, perhaps, see some sinister significance, I suppose, in that they were brought into effect on All Fools Day of 1985, but, perhaps, that is stretching the imagination a bit.

The significant thing about those 1981 amendments which were introduced by the then Government, in my view, Mr. Speaker, is that there seems to have had some fairly odd consequences which I do not believe were fully anticipated or addressed. I am not going to deal with all of the consequences, but one of the, I suppose, unusual situations which could have resulted from those amendments would relate, Mr. Speaker, to the application of Section 41 A, for instance, of the new Constitution.

The amendments are to be found substantially in Sections 41A to E of the Constitution and Section 42. Section 41A provided for the nomination of the members to form the commission. I do not want to dwell on that - perhaps, we could get back to that a little later - but I would like to get straight into the section which this Bill before us is seeking to amend, because that is the area of our immediate concern.

Section 42 of the Constitution as it stands now, in my view, is a fairly curiously worded section. I am not entirely clear in my own mind what it means in its entirety as it stands on the Statute Book, and I will point out one or two things which I think are a little curious about that existing Section 42.

In order to understand my argument fully, Mr. Speaker, I would like to read the whole of that section so as to set the argument in perspective. Section 42(1) of the Constitution reads as follows:

"The election of members to the House of Assembly shall be conducted under the direction and supervision of the Commission."

That is the Electoral and Boundaries Commission. There is nothing wrong with them.

"(2) The Governor-General, acting on the advice of the Commission, shall make regulations providing for the election of members of the House of Assembly and the conduct of such elections, which shall, in particular

- (a) contain provisions for the division of Barbados into constituencies in accordance with any report submitted under section 41D;
- (b) contain provisions designed to ensure that as far as practicable any person qualified to vote at an election of members of the House of Assembly shall have a reasonable opportunity of so voting; and
- (c) contain provisions relating to the conduct of elections of members of the House of Assembly, including provisions relating to the identification of electors, designed to ensure that as far as practicable no person shall vote at an election of a member of the House of Assembly
 - (i) who is not entitled to vote or (ii) when he is not entitled to vote; or (iii) where he is not entitled to vote."

That is Subsection (2). I would not read the other subsections, because they do not, in my view, create any problems, except Subsection 11, which I will refer to a little later. 12.45 p.m.

Let us look at Section 42(2), which is the one we are seeking to amend at this stage. It says:

"The Governor-General, acting on the advice of the Commission, shall make regulations" for a number of things.

1. I would suggest for the election of members of the House of Assembly.
2. For the conduct of such elections.

Those seem to me to be two separate and distinctive areas over which the Governor-General is authorized to make regulations.

It goes on, and I jump straight to (c):

"The Governor-General, acting on the advice of the Commission, shall make regulations providing for the election of members of the House of Assembly and

the conduct of such election, which shall¹, in particular (c) contain provisions relating to the conduct of elections of members of the House of Assembly,..."

That seems a little tautologous, to say the least, in that it more or less repeats the same thing without adding any significant new dimension to what is required. I am not too sure what is the purpose of the first phrase, so to speak, in 2(c). It does not seem to mean very much to me.

The second curious thing which I noticed about that Section is that at (2) (a) it says that the regulations shall:

"contain provisions for the division of Barbados into constituencies in accordance with any report submitted under section 41D;"

Section 41D is quite complete, it sets out the whole procedure for the review of constituency boundaries. It is perhaps instructive, Mr. Speaker, to say exactly what 41D does, because I think there has been some misunderstanding as to precisely what the scope of the Commission is in this regard.

What 41D, in essence, does, is that when the Commission sets about to change boundaries or to alter constituencies, it is required to submit a report with recommendations to the Minister for presentation to each House of Parliament. Such report, as the section requires, shall be submitted, in the case of a first report, not less than one or more than five years from the date of the appointment of the Commission, and in the case of a subsequent report, not less than two years or more than five years from the date of the submission of its last report.

After the responsible Minister receives that report, he is required to lay that report in the House not later than two months thereafter for approval of the House. That report of the Commission, together with a draft of an Order by the Governor-General for giving effect to the recommendations contained in that report, is what comes before the House.

The House, when that report with the Order comes before it, has power to accept or to reject the report, and the Constitution says that where the House rejects the report, the Minister has power to amend the draft Order and lay the amended draft before each House not later than two months after the date of rejection. If the draft is approved by resolution of each House, the Minister submits it to the Governor-General, who makes the Order in terms of the draft.

It is clear, from the expressed terms of Section 41, that parliamentary control over, the alteration of constituency boundaries is, in fact, maintained. I believe a lot were under the impression that the parliamentary control over the

alteration of constituency boundaries was entirely surrendered to the Electoral and Boundaries Commission. But the 1981 constitutional amendments specifically preserve parliamentary control in that area.

To complete the picture, it is perhaps instructive to indicate what the position was before the 1981 constitutional amendments. Formerly, by Section 3 (2) of the Representation of the Peoples Act, Cap. 12, the Minister responsible for the subject had express power to alter the boundaries of constituencies, but he had no power to increase the number of constituencies. There is a difference. The Boundaries Commission has power not only to alter the boundaries, but to increase the number of constituencies, but under the old dispensation, the Minister had power only to alter the boundaries of the constituencies.

The point was that any decision which the Minister took to alter the boundaries had to be laid before Parliament and be subject to affirmative resolution, not even negative resolution. In that context, parliamentary control over the alteration of boundaries, and the increase in boundaries, was complete. The preservation of parliamentary control continues, despite the 1981 amendments to the Constitution.

I go back to Section 42 and to some of the other unusual features which, I suggest, it indicates. I made the point earlier that it seems to cover two specific topics in the general outline, the election of members to the House of Assembly and the conduct of such elections.

I refer now to Subsection (11) of that same Section 42. At 42(2), the Governor-General has power to make regulations, and 42(11) says:

"Until regulations have been made under Subsection (2) the provisions of any enactment relating to the election of members to the House of Assembly and to the determination of controversies arising out of such elections as are enforced in Barbados on the coming into effect of this section shall apply for the purposes of this section; and a reference to Minister in any such enactment shall be construed as a reference to the Electoral and Boundaries Commission."

So if you look at the combined effects of Subsection (2) and Subsection (11), we have this provision, the Governor-General may make provisions relating to the election of members and to the conduct of elections, but until such regulations are made, the enactments relating to election of members of the House of Assembly and to the determination of controversies remain in effect 12.55 p.m.

What I suggest is not entirely clear in the analysis of these two sections is this. Subsection (2) gives the Governor-General the power to make regulations in two specific areas, election of Members, and conduct of elections. But then subsection (11) addresses a slightly different situation, the election of Members and the determination of election controversies. So I am not sure what the second part means, because you are saying in subsection (11) that once the Governor-General makes regulations relating to the conduct of elections and to the election of Members, then the laws relating to election controversies cease, but in subsection 2 you have not given him power, as I understand it, to make any laws relating to election controversies, unless you are saying that the power to make laws relating to elections would include controversies. If you stretch it that far, it makes sense, but one would have imagined that, to make the issue clear, the same sort of language would be repeated so as not to confuse the issue.

I am suggesting that if you analyze the two sections you reach this point, that the implication, if not the expressed declaration, of Sections 42(2) and 11 would seem to be that as soon as the Governor-General makes regulations under Section 42(2), all the existing laws in Barbados which relate to the election of Members to the House of Assembly, which relate to the conduct of such elections, and which relate to the determination of election controversies, cease to have effect to any extent covered by those regulations.

What are the existing laws which would cease to have effect? Let us look first at the law relating to the determination of election controversies, because this is fairly straightforward. I will start from the bottom and come up.

The law relating to election controversies is set out at Chapter 3 of the Laws of Barbados. It is a very detailed bit of legislation, and Act of Parliament, which sets out and defines the election offenses: breaches of official duty, requirements of secrecy, bribery as an offense, cheating as an offense, undue influence as an offense, impersonation; other offenses, tampering with nomination and ballot papers, and it provides for penalties for the breach of any of these laws. There is a host of other areas in which offenses are created, and the Act provides for penalties in relation to legal proceedings, in Part 3, in relation to any election offenses, and to the consequences of any proceedings which are taken in that regard.

The Act also goes on to deal with the Constitution of the Election Court, the court which is set up to try election petitions, and how it is to function, the procedure which is to be followed and so forth, and provides, in the final

analysis, for the Judicial Advisory Council to make rules and regulations for the functioning of the court in relation to election petitions.

If the 1981 amendments mean what they say, it would mean that the Governor-General, acting on the advice of the Commission, would have power, to alter all these, what I consider to be substantive and fundamental areas of the law, relating to election offenses and controversies, which I firmly believe Parliament should have control over.

Let us turn next to the conduct of elections. The law relating to the conduct of elections is set out in the Schedule to the Representation of The People Act, Chapter 12. Part of the 1981 amendments could have been amended by the Minister and any such amendments were subject to negative Resolution as distinct from affirmative Resolution. The 2nd Schedule, I think it is, after the Representation of the People Act sets out the rules for the conduct of House of Assembly elections and proceeds to detail how those rules are arranged and what is required to be done in relation to the conduct of elections.

In my view, there is no difficulty whatsoever in delegating that power to the Electoral and Boundaries Commission, and giving the Governor-General power to make rules, and to alter those rules, relating to the entire conduct of elections on the advice of the Electoral and Boundaries Commission.

Let us get to the other area over which the Governor-General, by the 1981 amendments, has power to make regulations, regulations in relation to the election of Members. The fact that you set them out separately indicates that you must be relating to two separate instances, because if you are intending to deal with the issue of the conduct of the elections only, you would not include the phrase as well "the election of Members to the House of Assembly". I make that point specifically because some of the comment which I have been hearing in relation to this matter seems a little uninformed in this regard. The 1981 amendments cannot reasonably be interpreted to suggest that the Governor-General was given power to amend the substantive law in relation to elections.

Let us then look, Mr. Speaker, at what are the substantive laws of this country in relation to elections. First, there are some laws relating to elections in the Constitution. Sections 43 and 44 set out the qualifications and disqualifications for membership of the House of Assembly, and those are laws which relate to the election of Members to the House of Assembly. Section 45 relates to the tenure of seats of Members of the House of Assembly. Section 47(2) provides for the filling of casual vacancies in the House of Assembly.

The point is made that the Governor-General cannot amend those by just an Order, but they are not entrenched provisions either, mark you, of the Constitution. But the Constitution, at Section 49, sets out specific procedures for amending it. What I am saying is so inelegant about the way how the section of the Constitution itself is set out, is that it tells you that you have power to amend all the electoral laws of the country and, in fact, you cannot really amend all the electoral laws, because you cannot give him power to amend the electoral laws as set out in the Constitution. So the section as drafted creates an area of confusion. 1.05p.m.

Leaving the Constitution aside, there are still other substantial areas of election law which the Electoral and Boundaries Commission could conceivably amend. Part II of the Representation of the People Act deals with the House of Assembly franchise, the registration of electors, and it sets out detailed provision for the qualification of electors. Let us take an issue, for instance, like the age of voting, 18 years-old, which is set out in the Representation of the People Act. Some years ago, under the first Democratic Labour Party Administration, when the age of majority was 21 years, we took a decision to reduce the age of majority from 21 to 18, and it was provided in the Representation of the People Act that persons over the age of 18 years, provided certain other conditions exist in relation to residence and citizenship and so forth, have the right to vote by virtue of the Representation of the People Act. If this section of the Constitution, by the 1981 amendments, means what it says, it means that the Electoral and Boundaries Commission, advising the Governor-General, can determine to change the age in relation to voting, although a Government may have taken a policy decision that the age of majority is 18 and that persons should vote at 18. Because if you delegate power to change entirely the electoral law, you are saying that you have power to change the qualification of voters, the rights of persons who have the right to vote, you have power to make a decision in relation to the age of majority on all sorts of other areas, which again, I repeat, must be fundamental to the parliamentary process, and it is not the type of power and responsibility which should, and ought, reasonably, to be delegated by the elected representatives of the people of this country.

We run into a situation, then, that if those words mean what they say, that there is power by the Commission to make regulations, or recommend to the Governor-General to make regulations relating to the election of members, there is power to deal with and to alter the entire electoral laws of this country. I believe one of the editorials today said that could not reasonably be interpreted to be so, but I think if you analyze the words carefully, they cannot mean anything else other than that

My concern, Mr. Speaker, is about the intended scope of the amendment when it was introduced in 1981, and the question I pose is, was the Government at that time concerned about giving the Governor-General, acting on the advice of the Electoral and Boundaries Commission, this wide power which I suggest exists by virtue of those amendments? My honourable and learned friend who was then Attorney-General, I believe, who introduced the Bill in the House, set out what he perceived to be the functions of the Commission. He was introducing the Bill on behalf of the Prime Minister. Mr. Speaker, in the House of Assembly Debates, Second Session 1976-81, debate of April 21, 1981 - I am quoting the Official Report at page 5517 - the honourable Member had this to say:

"Mr. Speaker, we are providing in the Bill for the Commission to have its own independent staff which will be paid for from monies voted by Parliament and charged on the Consolidated Fund, although we have had to include a provision which would allow the Governor-General to direct public officers to carry out certain of the duties which may be necessary in relation to the functioning of the Commission." Now, important here,

"The Commission's functions will be to look after the registration of voters and the conduct of elections in every constituency and to do all things that are necessary to ensure free elections. The Commission is not only an Electoral Commission, it has duties in relation to boundaries as well, and the Commission will in future be under obligation to report to this House from time to time on its recommendations for any changes which can be made in the boundaries of Barbados, and the only guidelines set out for them will be set out in the Schedule in which we are asking them to ensure that boundaries are as nearly as possible equal in all constituencies and that no boundary should exceed the other by more than approximately 10% one way. They should not be higher than 110% or lower than 90%, so there may be no more than one-fifth difference in the total electorate. This is to ensure a regular rather than a haphazard review of the shift in population in the country, to reflect as closely as possible any shift in population movement and to equalise as much as possible the votes of people who vote to return members to the House of Assembly.

"There is another function, too, Mr. Speaker, which the Commission will have and its function will be to allocate broadcasting time to the various political parties or persons vying for political office during the election or by election. This is a novel provision."

Mr. Speaker, the functions of the Electoral and Boundaries Commission, as set out by the Honourable Leader of the Opposition, speaking in 1981, are precisely what I perceive those functions should be, and nothing more. From the way in which the matter was introduced, I get the impression that the Honourable Leader of the Opposition felt that way as well, because it is significant that in the whole of his introduction in 1981, no reference was made to the possibility of the Electoral and Boundaries Commission advising the Governor-General to make regulations to alter the substantive electoral law of this country.

I say that because on reading the whole speech, if it were intended in 1981 to give the Governor-General that power, which is a power which is so vast and so all-pervasive, and which is so much more fundamental than what the honourable Member for Christ Church West (Hon. H. deB. Forde) spoke about, my view is, no matter how good a lawyer he is, how excellent in the presentation of material, if it was intended to include such a fundamental provision, the honourable Member would not exclude it from his speech. But his speech is significantly silent on any of that, and I agree with him that what the Commission should be confined to do is to make regulations, or to advise the Governor-General to make regulations, which relate to the conduct of elections, which would cover such things as election broadcasts, and which relate to the power to alter and adjust the boundaries of the constituencies. I am at one with the honourable Member on that, and I think that the Constitution should be clear, and that there should be no difficulties and there should be no opportunities for there to be any doubt as to the extent and scope of power given to the Governor-General. 1.15p.m.

Mr. Speaker, another significant point I would like to make is this, if the Governor-General under the 1981 amendments has power to alter the substantive electoral law of this country, he has that power without reservation, because the constitutional amendments make no provision for any parliamentary control in that area. But it is significant that in relation to the alteration of the number of boundaries, for instance, and the area of constituencies, that power is circumscribed. So it is a little unusual that Parliament would have intended to give the Governor-General unbridled power to amend the electoral laws of this country and to wipe them all out, but, yet, say to the Governor-General, when you are dealing with adjusting boundaries, we in Parliament have the final say. That is why I say that it is unlikely that that extension of power could have been intended.

I expressed the view in the course of my introduction to this Bill, Mr. Speaker, and I would like to repeat it for emphasis, that any provisions in law relating to the

qualification and disqualification of Members of the House of Assembly for filling casual vacancies, relating to the House of Assembly franchise, to the qualification of electors for resolving election controversies, matters of this kind, should always be matters of substantive enactment which should only be amended by Acts of Parliament

I have no quarrel whatsoever with the power of the Governor-General to make rules on the advice of the Commission which regulates the conduct of elections and rules such as those which presently exist in the Second Schedule to the Representation of the People Act, as well as to those other matters, in Section 42(2) of the Constitution, which relate to the regulation of political broadcasts and the terms under which broadcasting stations may be exempt from criminal liability in respect of any political broadcast material.

Finally, Mr. Speaker, these 1981 amendments, in my view, raise this very important issue: to what extent should Parliament delegate power to make laws? That is essentially what it is.

I have made the point that there seems to be some uninformed opinion that Parliament has not, in fact, delegated authority to change the electoral laws of this country. I would be interested in hearing my learned friend from Christ Church West on this issue - whether, in fact, on his analysis of the 1981 amendments, Parliament has delegated that wide authority to the Governor-General to change all the electoral laws.

I come back to the fundamental point over and over again. Powers of delegation are all right. We are not dealing with taking away any rights or anything of that sort, because when you are dealing with constitutional amendments, a lot of emotive heat tends to be generated on them. But, fundamentally what we are dealing with, the only issue, is whether with that power which we say should reside with Parliament - after all, that is what we have been sent here by the people for, to pass laws for the good government of the people of this country - we should go to the extent of delegating authority in such important and fundamental areas to a commission which is not answerable to the people, which is not elected by the people, and which may then proceed to alter the law in certain fundamental and, what may be perceived from the point of view of political initiatives, undesirable areas.

The purpose of the Bill then, Mr. Speaker, is to make it abundantly clear what the powers of the Governor-General, acting on the advice of the Electoral and Boundaries Commission, are, and to ensure that those powers are not exercisable in relation to what we regard as fundamental issues, but that the conduct of elections, the

regulating of the total electoral process, is an area over which the commission has competence, and it is in that area where its work and its power to make regulations should be, in fact, confined. Against that background then, Mr. Speaker, I suggest that it is desirable that any doubt be removed as to what the position is, and this Bill is designed to do that

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

Hon. B. M. TANT: Mr. Speaker, I beg to second that and reserve my right to speak.

Hon. P. M. GREAVES: Mr. Speaker, I rise to move that further consideration of this matter be postponed. I have been approached by the Leader of the Opposition that they would like to have this matter here reserved for another occasion. We have come to some agreement among ourselves that this matter would be fully debated on another occasion, and for this reason, Sir, I move that further consideration of this matter be postponed.

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

The question that the Bill be further postponed was put and resolved in the affirmative without division. 1.25 p.m.

GUARANTEE FOR THE REDEMPTION OF THE BOND ISSUE OF \$21 700 000

Order No. 2 was called - To move the passing of a Resolution to approve the guarantee by the Minister responsible for Finance of the payment of the principal and of the interest necessary for the redemption of the Sugar Industry Bond issue in the sum of \$21 700 000.

Hon. L. E. SANDIFORD (St Michael Soutf/ .Mr. Speaker, the Resolution which this Honourable Chamber is being asked to consider reads as follows:

"WHEREAS by section 3 of the Sugar Industry (Support Price) Act, Cap. 268A, a fund known as the Sugar Support Price Fund was established:

AND WHEREAS by section 4 of that Act, Barbados Sugar Factories Limited is authorised to issue bonds known as the Sugar Industry Bonds for the purposes of financing the Sugar Support Price Fund and deems it necessary to borrow the sum of \$21 700 000 by the issue of such bonds:

AND WHEREAS section 5 of that Act provides that the Minister responsible for Finance may, with the approval of Parliament, guarantee in such manner and on such terms and conditions as the Minister thinks fit

the payment of the principal and of interest necessary for the redemption of any bonds issued by the Barbados Sugar Factories Limited under the Act:

BE IT RESOLVED that Parliament approve the guarantee by the Minister responsible for Finance of the payment of the principal and of the interest necessary for the redemption of the bond issue in the sum of \$21 700 000."

Mr. Speaker, I would like to point out again that what the House is being asked to do is based on Cap. 268A of the Laws of Barbados, the Sugar Industry (Support Price) Act Section 4(1) of that Act indicates that the Barbados Sugar Industries Limited is authorised to issue bonds, known as Sugar Industry Bonds, for purposes of financing the Sugar Support Price Fund. Section 5(1) of that Act states that the Minister of Finance may, with the approval of Parliament, guarantee in such manner and on such terms and conditions as the Minister thinks fit the payment of principal and of interest necessary for the redemption of bonds issued under the legislation. Section 6 (1) of the same Act authorises the Barbados Sugar Industries Limited to establish a Sinking Fund to meet redemption of Sugar Industry Bonds and any other expenses incidental to the redemption of such bonds.

This particular method of giving finance to the sugar industry in Barbados goes back at least to the year 1982. I think, Sir, that it arises from a basic fact of economic and commercial life, that any industry, whether in the area of manufacturing, processing, mining, services, or however it may be categorized, needs resources, needs funding to carry out its activities. That funding can come either from internally generated resources or it must come from some external source. Modern business is heavily dependant on external sources of financing to meet its operations. By "external," I do not necessarily mean external to the country, I mean outside of the operations of the business activity or business enterprise itself.

The sugar industry in Barbados has taken a number of steps over the years to bring some methods of modernization, and out of the developments down through those years, it has come up with a biological package which has included the results of research on new varieties, different methods of propagation, and matters relating to cultivation and fertilization. It has also come up with a mechanical package, which includes the development of new kinds of machinery and technologies relating to the growing, the harvesting and the processing of the sugar cane. But like any industry, particularly modern industry, the Barbados sugar industry needs funds to meet its purposes and operations. It must borrow and obtain credit to meet the needs of the plantations, growers and the factories or processors of the sugar cane.

The sugar industry, more, perhaps, than any industry in the country, has exhibited that need for additional funds. In a very real sense, Sir, it is the oldest industry in Barbados, and in a very real sense, it has seen many changes in technology and in approaches to the processing of sugar and the growing of the sugar cane, but above all, it has seen a lot of changes in the returns that become available to it from the sale of its products. There have been many fluctuations down through the years in the earnings which that industry has been able to achieve. 1.35p.m.

There is no doubt that, if the sugar industry is to continue to survive in Barbados, it will need to borrow money from sources external to itself, because it is unable, on the basis of information supplied, to generate internally the kinds of sums that it requires. Having demonstrated that, the industry is now asking for some \$21.7 million to support its operations and related activities. This is, in accordance with the Act, to be paid into a fund, the Sugar Support Price Fund to finance the operations of Barbados Sugar Industries Limited for the processing of sugar cane and making loans to those who grow the sugar cane. As the Addendum indicates the \$21.7 million should be realised through the issue of bonds, and that issue of bonds is in accordance with the piece legislation to which I made reference.

Sometimes people get confused when we get into these areas of finance in terms of the different instruments that may be available for investment and for the mobilization of savings. The bond is simply an IOU or a promissory note, and it indicates evidence that a company, in this case the Barbados Sugar Industries Limited, promises to pay to those persons who hold the bonds, a specified amount of interest for a specified period of time, and that at the end of the stipulated period, the maturity, the principal or the loan obtained would be repaid. So it is a repayment of principal as well as payment of interest during the life of the bond. The Sinking Fund is set up, hopefully, to ensure that through the timely provision of funds money will be available to meet the payment of interest and, as I indicated, hopefully the payment of principal.

The Addendum to the Resolution sets out clearly and fully the details of this particular proposal. Discussions have been held with the Central Bank, and following upon those discussions, the proposals which are now being considered are for a new issue of bonds which will be issued in four series, being ten years taxable, seven years taxable, five years taxable, and five years tax-free. These would be issued in series K - 8.125% taxable bonds at par redeemable 1995-1997; Series L - 7.5% taxable bonds at par redeemable 1992-1994; Series M - 7% taxable bonds at par, redeemable 1990 - 1992; and Series N -6.25% tax free bonds at par, redeemable 1990-1992. The directors

have undertaken that not less than \$3 million would be allocated in each series.

In accordance with the Act, the Government proposes to guarantee the new bond issue, but it is doing so on the basis of hopes and assurances from the Barbados Sugar Industries Limited that the annual production level will not exceed 90 000 tonnes from the crop to be harvested in 1988. It is proposed, as in previous issues, that the requirements of the Sugar Industry Act will be maintained.

Of the \$21.7 million which is to be borrowed, \$3 million is to be allocated to the Sinking Fund to be used towards the servicing of earlier bond issues and to facilitate the earlier redemption of high cost bonds. The remaining \$18.7 million is to be distributed to growers and to the factory as a loan which may be converted into a grant when the bonds have been redeemed. Growers who deliver less than 400 tonnes of cane are entitled to their portion of the support in the form of a grant.

Mr. Speaker, there is no doubt of the importance of the sugar industry to this country, and I believe that when the support by way of bonds was introduced in 1982, it was to ensure the continued survival of that particular industry. The industry provides employment for a substantial part of our labour force. Some of it earns for this country foreign exchange, about 50 000 tonnes, I believe, on the EEC market. There is about 14 000 tonnes for the domestic market. 1.45p.m.

Sugar is an important food item. If we did not grow the sugar cane and produce the sugar, we would have to import sugar. There is one line of development which speaks in terms of import substitution. I do not think that now forms the major method for development in many countries. There was a time when this was the major line given for economic development of Third World countries, but now there is a better mix which includes import substitution, but export-oriented production has come to take the place of import substitution, or at least to live side by side with that particular concept. So on grounds of the industry, the food security needs of the country, the maintenance of employment in the country and utilisation of the land space available in the country, there is, certainly for the foreseeable future, a need for the continuation of this industry.

That is not to say, Sir, that there are not serious problems involved in the industry, and I believe that there is a need for debate and discussion on the place, purpose and future development of this industry in our economy and country. There is also definite need for this continuing dialogue on the level of support that we can expect to give to that industry when compared with the needs of other

sectors of the economy. But this is not the occasion for that particular debate. We are seeking here, Mr. Speaker, to ensure that the industry has the resources available to it to perform the tasks both of growing the sugar cane and of producing the sugar products from that sugar cane.

I therefore beg to move that this Resolution do now pass, and I urge this Honourable Chamber to support the Resolution.

Hon. W. O. FRANKLIN (St. Philip North): Mr. Speaker, I beg to second this motion, and in seconding this Resolution, I would like to add a few facts to supplement the Honourable Minister of Finance's presentation.

First of all, the issue we are doing now is for the crop year 1986. The crop year 1987 has been, in terms of returns in the industry, a better year. The last figure I have had is that the estimated earning is going to be some \$80 million, due largely to the fact of the weakening of the US dollar, consequentially the Barbadian dollar, against the ECU's, and where last year we got on an average Bds.\$675 a tonne, and with price support about \$871, this year it is some \$932 a tonne as a result of the strength of the European currencies against the US dollar.

As was said, the industry requested that money as support in 1986. Arrangements were made with the Barbados National Bank and the industry was advanced the funds, and we are now seeking parliamentary approval for the industry to launch the bonds in order to repay the Barbados National Bank.

Any debate on support for sugar in this country always leads one to have a close look at the industry, what the prospects are and where we go from here. I always like to start debates on this by saying, as was said before, that the sugar industry is going to be with us for a long time, and secondly, that any structuring of the agricultural sector in Barbados in the future has to be structured around sugar as the main crop, until such time as we can, by way of research, by way of finding of markets, arrive at a type of grouping of crops that would take a substantial part of the lands now being used for sugar.

If you would follow that we have had a consequential reduction in the lands under sugar, from about 52 000 acres going back, and last year we were down to about 34 000 acres or thereabout, we are about 18 000 less in sugar than we were before. It means that we have a sizeable amount of land that we can well look at for the other crops without worrying too much about the acreage under sugar at the moment

The policy of the Ministry for the immediate future is the production of enough sugar that will serve our

preferential markets, which is about 54 000 tonnes in the EEC, around 15 000 tonnes for local consumption, the American quota last time was reduced to about 4 700 tonnes, and we always have a surplus of about 10 000-15 000 tonnes. -We are keeping the industry in the area of around 85 000 - 90 000 tonnes of sugar.

Our objective is to see how we can produce that tonnage on the smallest possible acreage. We are trying to get this down to about 12 000 hectares of land, about 28 000 acres. We are trying to move our production to an average of about 28 tonnes of canes per acre of land, and we are trying to make sure that we get a recovery rate of about 8.25 tonnes of canes to a tonne of sugar. 1.55p.m.

This year, we have commissioned a study on the sugar industry, on the World Bank H Loan. One of the things we have been looking at in that study is to see how we can reduce the cost of production of sugar in Barbados. One of the biggest problems in the sugar industry is that we are a relatively high cost producing country.

This is an area that very few people have any consensus on, and it is very, very difficult to get from the people who produce canes what is the true cost of producing a tonne of canes. Naturally, it will vary, depending on the part of Barbados in which you are growing it, but even in areas that are similar, it is very difficult to arrive at a consensus of what it is costing to produce that tonne of canes. This is one of the things that we are hoping will come out of the study that we have.

The next one we will be looking at is the marketing and the possibility of getting into some specialty sugars and the marketing of the sugar. A lot has been said about the marketing of specialty sugar, marketing our sugar in one pound packages at the airport, getting back to muscovado sugars, getting back to the specialty area of our brown sugar. All this will be looked at, as well as any areas in which we can maximize the return on our sugar, as well as the present production method to see if there are any ways in which we can improve on that

It is hardly likely that we will find a variety of cane in the near future that would be better than we now have, because a considerable amount of research has gone on on variety testing and breeding of sugar cane. I am fairly certain that it will be a long time before we get a variety of cane that would be more suitable to what we have at the moment, so we will have to concentrate primarily on better methods of production, maybe fertilizers, making sure that in the transportation to the factory, we lose less canes along the road than we do at the moment, and getting the factories operating at maximum efficiency so that the recovery would be less at the moment.

Surrounding the industry, Mr. Speaker, as you know, we in the Ministry are looking very hard at crops to supplement the income of sugar. More recently, you would have heard that we are looking at the further processing of the cotton industry in Barbados. At some time, I hope that I will be able to make a fuller statement to Parliament on this. At the moment, all I am prepared to say is that discussions are ongoing between the cotton producing countries of the Caribbean and two Japanese concerns around the possibility of establishing in Barbados, in the first instance, a spinning mill for yam.

The reason for this is that when we do a study of the cotton industry from the primary stage to the finished stage, the value added is tremendous. The last study showed that the value added in the cotton industry between; the grey cloth and some finished product is something like \$85 per metre of cloth, and if you take into consideration that one pound of sea cotton makes approximately one metre of cloth, you will see that technology is adding tremendously to the cotton industry. We are seeking to tap into that technology to have some type of higher return on our cotton industry.

We have spoken before, earlier in this session, about our vegetables. We have discussed this at length and, therefore, I do not think we need to go over that.

Right now, markets for our flowers, particularly the ginger lilies, are beginning to come on stream, and we have the problem I was hoping we would not have, that the demand is now far outstripping the supply. This is a result of finding it very difficult to get the farmers in Barbados to turn away from the crops that they are familiar with and get into crops like ginger lilies and heleenias, because they never saw these as commercial crops, they still see these as hobby crops. Right now we are trying to prove to them that it is an area that could be very valuable to them if they turn their attention to it. The Ministry is working very, very closely on that.

In the area of our livestock, you will find that we are working very, very hard on the increase of our production of animal protein, and the statistics show that we have been able to make some mark in this area. Last year has been a record for our poultry production people. Last year, for the first time, we had some 8.128 million kilos of poultry meat being produced. That is an increase of about 10 per cent over the year before.

Asides.

Hon. W. O. FRANKLIN: Mr. Speaker, I will give way to the Leader of the House at this time.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, at this point I move the House be suspended until 3 o'clock today.

Hon. B. M. TATTT: I beg to second that.

The question that the House be suspended until 3 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly. 2.03 p.m.

ON RESUMPTION Mr.

SPEAKER: This sitting is resumed.

When the suspension was taken, the Minister of Agriculture was making his contribution. If he so desires, he should continue.

GUARANTEE FOR THE REDEMPTION OF THE BOND ISSUE OF \$21 700 000 (CONT'D)

Hon. W. O. FRANKLIN (St. Philip North): Mr. Speaker, before the luncheon interval, I was saying that the Minister of Finance, who led off the debate, made out the grounds for the necessity for the guarantee by Government of this bond issue on behalf of the Barbados Sugar Industries Limited. I went on to state that this is the case for the 1986 crop and that we are hoping for better prices for the 1987 crop to be in a better position. I did outline the reasons why we would need to give support to this Resolution and also some of the policies for the backup of the sugar industry in our diversification programme. I also stated that as part of the World Bank loan, we are going to be having a study to see how cost effective we can make the sugar industry. There is no more for me to say at this time, other than to second the Resolution and commend this Resolution to the Honourable House.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, the measure that the House is debating today is the guarantee of a loan to the sugar industry. I am sure, Sir, that if the matter had concerned itself with an on-Budget subsidy, certainly the debate would have been more heated. It is a measure to, as I said, guarantee a loan to the sugar industry, but, still, a number of matters not yet touched by either the Minister of Finance or the Minister of Agriculture are worthy of discussion by the House.

Mr. Speaker, the guarantee that we are here today debating is a guarantee of a loan applicable to the crop of 1986. That is the first salient point, it is not a guarantee applicable to the crop of '87 but '86. It is generally well

known, Mr. Speaker, that there are certain cycles in agriculture with which one has to comply. Among those is the principle, Mr. Speaker, that any assistance that the industry is to receive should be assistance of such a timely character as to allow the industry to take operational decisions that are effective from year to year.

As regards sugar pricing, Sir, and, in consequence, price supports for sugar, in operational terms one ordinarily would have expected that by December 15 of a year, the sugar industry would be in a position to know what is going to be the price paid for sugar and sugar cane so that all arrangements pertaining particularly to the final price to growers could be satisfactorily resolved. The point I am trying to make, Sir, is that the House ought to have been debating this particular matter not in 1988 but some time in 1986 if it were going to be of operational value to the industry, to enable the industry, Mr. Speaker, to have been able by December 15 to do what it has done from time immemorial - to know what price it was going to pay the growers of this country for the canes that they have grown. The immediate question that arises, Sir, is what is the set of circumstances within the Ministry of Finance and the Ministry of Agriculture that has put us in this particular position where we are in 1988 having to discuss a matter that should have been resolved by 1986?

From what I have gathered, Mr. Speaker, the arrangements which have been put in place to take the place of this particular price support could only have been arrangements that would have increased the interest charges that the industry has been called upon to carry. I understand, from what the Minister of Finance said, Sir, that in the absence of a price support, the sugar industry has, to some extent, been financed since 1986 by a bridging loan by the Barbados National Bank, the rate of interest of which is far higher than that attaching to the price support mechanism. So the first question that the Opposition must really put to the Minister of Finance and the Minister of Agriculture is the obvious question, what could have been the set of circumstances that could cause a price support for 1986 to reach the House for its guarantee in 1988, given that this measure does not require us to vote public funds, since it simply asks us to guarantee a loan? And we happen to know, Mr. Speaker, that all the work surrounding this particular price support measure was concluded as far back as 1986.

The Addendum attaching itself to this Resolution, Mr. Speaker, is important for what it does not say. It simply says that the price support carries with it certain guarantees; one of which is the assurance from the industry that production will not be more than 90 000 tonnes and that the sugar industry will comply with the information requirements of the Sugar- Industry Act. The House, Mr. Speaker, needs to know more, and I will explain as clearly

as I can why we need to know more, in detail, as to the conditions which are attached to this particular price support measure of 1986.

If we were, to put this particular price support in the context of what has gone before, Mr. Speaker, between 1982 and 1984 it could truly have been said that the price support was meant to give effect to a sugar policy in so far as the conditions which were attached to the price support were conditions which linked growers' capacity to convert loans into grants to their attainment of specified sugar targets. It is therefore true to say that up to 1984, the sugar price support mechanism was merely a means of expressing a sugar policy. Subsequent to 1984, Sir, the price support mechanism was used not as an instrument of sugar policy, Sir, but as an instrument of broad agricultural policy. In fact, the price support of 1985, was used deliberately as an instrument by which we could initiate a broad-based programme of agricultural diversification, not on small farms but in the area where it must take place, on the sugar plantations of this country.

The point I am making, Sir, is that when we guarantee loans to the sugar industry in this House, we normally attach conditions which, if met, would allow the growers to convert the loans that they receive into grants. This Addendum implies that growers will have open to them the option of converting loans received into grants. But it does not say what those conditions are, and I am raising this, Sir, because I really want to go back to the 1985 price supports for us to understand what is the significance of the Minister of Finance and the Minister of Agriculture refusing to tell us what are the agricultural conditions that are attached to this particular price support mechanism of 1986.

In 1985, Sir the conditions that were built into the price support system were such that, for the first time, growers were not given a volume quota. It was agreed that at the start of each year the growers would meet and would come to specific decisions as to how much land should go into sugar and how much land would go into non-sugar commodities. It was also agreed that they would put up, as the basic information for the receipt of price supports, a whole broad-based agricultural programme, in which certain acreages were to be put under sugar as part of the programme, but more importantly, Mr. Speaker, the production of commodities such as cotton, cherries, onions, peanuts, ornamental and other crops grown, as well as livestock production, was under the auspices of the 1985 price support mechanism, put in a position where it could qualify the persons receiving the loans to convert the loans into grants. 3.10p.m.

The point I am making, Sir, is a very simple point, that given that broad-based approach, what one was attempting

to do was to use funds received by growers in one year as the basis upon which they could start to finance the transition into the non-traditional crops in a subsequent year. And the 1985 price support mechanism was very clear on that point. So if in 1985 you received a loan under the auspices of the price support mechanism, and by 1991, when a decision has to be taken as to whether your loan becomes a grant or remained a loan, and- you had in the interval converted your sugar lands into livestock production, you could qualify under the purposes of the existing price support mechanism to have the loan converted into a grant. Similarly, Sir, if, through the process of meetings with the Ministry of Agriculture and the sugar industry, it had been agreed that the production of cherries was a crop to be designated by the Ministry of Agriculture as forming part of the agricultural diversification programme, and the person receiving a loan in 1985 had by 1991 made that transition, then his loan secured in 1985 would have been converted into a grant by reason of the fact that he had moved from the position of sugar cane into the production of cherries, and so it goes.

But above all, Mr. Speaker, the 1985 price support programme set up a mechanism by which, every year, the Minister of Agriculture had a responsibility to approve a total agricultural programme for the country, the core of which would be the production of the sugar cane, but surrounding which was a wide range of commodities defined in such a way that a full-fledged agricultural diversification programme could have been given effect to. So when we, Mr. Speaker, therefore asks the Government what are the conditions that are attached to this particular price support mechanism, it is not a question, Sir, that we are asking for trivial reasons.

I want, first of all, Mr. Speaker, to know if the industry has complied with the conditions of the 1985 price support. The conditions were very clear, Sir, that by March of the year, after the growers meetings, there would then have had meetings between the Ministry of Agriculture and the officials of Sugar Industry Limited, and each person producing and benefitting from the price support mechanism would be in a position by the end of March to specify how much of his land was going into sugar and how much was going into non-sugar commodities, based upon available information pertaining to markets, prices, and a whole range of things. I want to know, Sir, if that mechanism has worked, and if it is not working, what will happen in 1991 when the point of decision is reached for the loans incurred by the growers in 1985 to be converted into grants?

I want to know, Mr. Speaker, whether a situation has been reached where supplier contracts now exist between producers of sugar cane in this country and the Barbados Sugar Industry Limited as called for by the 1985 conditions.

I want, Mr. Speaker, to be told whether the arrangements that people could be penalized for over-production of sugar in this country have been put into effect, because the 1985 price support mechanism recognized that when Barbados produced over a certain level of sugar, it hurt people at the individual level. The proposal was so drafted, therefore, that after a person had agreed to the acreage to which he had been allotted by the industry, acting in collaboration with the Ministry of Agriculture, and he then decided that he wanted, on his own volition, to break the rules and continue to produce sugar indiscriminately, then the price to be paid to him by the sugar industry would reflect the damage that he has caused to the price received by all growers in the industry. Therefore, Sir, there was a penalty attached in the 1985 price support mechanism for the indiscriminate production of sugar cane in this country, given the goal of the price support mechanism, that had to use it as a mechanism to have a programme approach to agricultural diversification, not on the marginal lands of this country, Sir, but on the best lands of Barbados.

I make the point, Sir, very deliberately, that there is going to be no automatic transition from sugar to non-sugar if we are misled in believing that the production of non-sugar commodities are merely the preoccupation of the small farmers occupying marginal lands, having relatively limited access to credit, Sir, and having little access to the financial resources that will allow them to support diversification to the extent that it must be supported. The core of diversification in Barbados has to be on the best land in this country. Therefore, I want to hear about these price support conditions to satisfy myself that there is no relaxation of the policy which says that a sugar price support mechanism must not only express a sugar policy, but also express, Mr. Speaker, a broad-based agricultural policy for the country.

It is entirely unsatisfactory, therefore, Mr. Speaker, for the Minister of Finance and the Minister of Agriculture to bring to the House a document which simply says that the condition which will apply in this year's price support mechanism is that assurances will be received from the industry that production will not be more than 90 000 tonnes. If you say that, and you also have implied that there will be provisions for persons receiving loans to convert the loans into grants, you have to take the argument, obviously, therefore, beyond what is the industry limit and tell us what are the conditions attaching to growers in respective ecological zones as regards sugar production, non-sugar production, and the capacity in 1995 to convert the loans that they will receive in 1986 into grants. I desperately want, Mr. Speaker, to hear the Minister on this point.

I must also, Mr. Speaker, say that the broad condition that the sugar industry will be required to comply with the Sugar Industry Act, again is not satisfactory. This House,

Mr. Speaker, will be 350 years-old next year, and when Parliament commits itself to an Act, it has to honour the Act in good faith. When we commit the people of this country to loans, we have to honour our obligations.

As far back as 1980 or 1981, there was a Sugar Industry Act, included in which were certain informational requirements making it mandatory as a matter of law for the sugar industry to put in a cost accounting system and tell us what their costs are. That was an important point, I represent the people of St. Peter, and I want when I come to the House and say that I am supporting a price support for \$15 million, I know that I am supporting that because there is a cost accounting system in the sugar industry which I can look at and which can tell me that the costs of the sugar industry are X, the revenue is Y, and that the \$15 million I am being called upon to agree to is the difference between the two.

It is a staggering thing that the sugar industry, up to today, does not have a cost accounting system that will allow us to know what the costs of production are. That is my first point. Every other industry in this country must have a cost accounting system. 3.20 p.m.

Aside.

Mr. O. S. ARTHUR: Hold on. I did not support the price support for the sugar industry on-Budget, you know. I am coming on to that.

The point I am making, Sir, is that when you get down to the business of preparing a price support for sugar, what you have to work with is the global costs of production on sugar estates, from which you know, and the industry knows, as a matter of fact, that included in those costs are the cost both of producing sugar and producing other commodities grown in rotation with sugar. You do not as yet, therefore, have a system by which you can so pro-rate the cost as between sugar and non-sugar production as to arrive at a true cost of producing sugar, so that when we come to this House we know what we are supporting.

The reason why I am irate about it, Mr. Speaker, is that, year after year, the price support mechanisms always make this condition that the sugar industry must comply with the informational requirements of the Sugar Industry Act, and all we are asking for him to do, Sir, is to put in a cost accounting system so that we can know what is the true cost of growing sugar in this country and what is the true cost of growing non-sugar commodities.

In the 1985 price support mechanism, Mr. Speaker, we went so far as to say that to the extent that the Government is a shareholder in the Barbados Sugar

Industries Limited, to get around the problem of the sugar industry not being able to tell us what the cost of producing sugar cane is in this country, we should establish a committee which would, within six months' time, have a properly-developed cost accounting system ready for adoption, as required by the Act. It is therefore, Mr. Speaker, not enough to come back to the House and tell us that, once again.....

Aside.

Mr. O. S. ARTHUR: I know you do not want to be involved in it - the Minister of Finance and the Minister of Agriculture.

It is not good enough for us in 1988 to be having to ask to agree again to a sugar price support mechanism, one of the conditions of which is that the sugar industry is to comply with the Sugar Industry Act and its informational requirements.

I must hear from the Minister of Agriculture whether the specific conditions that were set out in the 1985 sugar price support mechanism have been given effect to. I want to know, Sir, whether a cost accounting system has been established in the sugar industry. I want to hear if we are now in a position to derive the true cost of producing sugar in Barbados, and whether we are in a position to distinguish between the sugar cost in estates and the non-sugar cost of those same estates. I want to be able to say that when I am agreeing to a sugar price support of \$18 million, that that \$18 million reflects the true deficit of producing sugar cane on estates in this country.

As regards the Sinking Fund, this particular sugar price support of 1986 contains an arrangement by which \$3 million of the \$21.7 million to be raised by bonds will be used to redeem bonds issued earlier.

In late 1985, I supervised the meetings between the sugar industry and Government technicians regarding all of the financial arrangements surrounding the earlier bonds, and I was very specific to ask the question as to the adequacy of the arrangements for redeeming the bonds which had been issued earlier. I was very clear on that point, Sir.

When last the sugar price was guaranteed in this House, it was on the understanding that the existing Sinking Fund was more than adequate to redeem the bonds issued up to that point and the bonds which were being guaranteed by the House. It therefore comes as a great surprise to me that we are now being called upon to include in this particular price support an amount to redeem bonds which have already been adequately provided for. The question, obviously, Mr. Speaker, that must be raised is, if part of the

funds to be guaranteed how is to be used to redeem some of the bonds issued earlier, in what state is the existing Sinking Fund and what are the precise measures that the Minister of Finance and the Minister of Agriculture propose to take to put that Sinking Fund in a position where it cannot only redeem bonds past, but can also redeem the \$21 million that we are today guaranteeing, because this will also fall due for redemption in due course? -

The point I am making, Sir, is that if the Sinking Fund is not adequate to redeem past bonds, adding to it an additional \$21 million in obligations is going to make it even more inadequate. The Government, therefore, will have to tell us if it is now in a position to say that rather than these things being a contingent liability, they could become a real liability on the public purse in due course. That is the important point, Sir.

Aside.

Mr. O. S. ARTHUR: The Member for St. Michael West (Hon. B. M. Taitt) does not understand these things.

Mr. SPEAKER: I am hearing the Member for St. Peter, not the Member for St Michael West.

Mr. O. S. ARTHUR: But I am hearing him very distinctly, Sir.

Mr. SPEAKER: I will ask him to desist from interrupting your input

Mr. O. S. ARTHUR: The point I am making, Sir, for his benefit, is that when we issue a guarantee in this House we are committing ourselves to a contingent liability. It could become something that we might have to pay back out of public funds if satisfactory arrangements are not made to redeem the bonds.

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, I heard them in silence. They did not say much, but I heard them in silence.

The point is that up to 1985, when last this matter was examined, the Sinking Fund arrangements were of a character that could have redeemed the bonds that existed up to then, and the bonds we were guaranteeing. We are now being told that we now have to include in part of the funds we are raising an amount to redeem earlier bonds. That is in conflict with the information I received from the Ministry when I supervised the arrangements for the 1985 price support.

It seems to me, Sir, without the Government wanting to say it, that what we are dealing with here is a zero

coupon bond. This has, in my view, the characteristics of a zero coupon bond, that the arrangement is being made, not so much to redeem earlier bonds, but to redeem this bond when it falls due for redemption. If that is the case, Sir, perhaps the Minister - whether it is the Minister of Finance or the Minister of Agriculture - should give us assurances about it, because we must guard against the liabilities of the sugar industry ever becoming more than contingent liabilities for us.

When we guarantee these things, Sir, we are not doing it lightly, and if this is a zero coupon bond, tell us that Do not try to create the impression that adequate financial arrangements were not made to redeem the bonds of the past That is not true.

The question, therefore, is, if those arrangements of the past were inadequate, what arrangements are you going to make now? The Sinking Fund to redeem the existing loans is inadequate, this is saying, you are adding \$21 million more in loan liability, so the Sinking Fund becomes even more inadequate, and it will raise the prospect of some future commitment by Government to have to redeem the bonds itself. This worries me.

The Minister of Agriculture also had a number of things to say about future sugar policy. I could not, obviously, oppose a sugar policy which is designed, so the Minister says, to produce for premium markets, using a lesser amount of land to do so. But the important consideration as regard the sugar policy at this time, must concern itself with means by which we are going to put the sugar industry in a position where its cost of production bears some kind of relationship to the price at the premium market and, secondly, if the cost of producing sugar cane in Barbados makes it possible for us to begin to contemplate going into sugar cane by-products as ancillary activities to the production of sugar. At present, Mr. Speaker, the cost of producing sugar cane in Barbados is exorbitantly high. It is the core problem of the sugar industry in this country. 3.30p.m.

We now have a situation where the price the industry is receiving for sugar is at a level that is higher than it has received since 1979, and it is a price at which growers in other parts of the world are not only surviving, but are making handsome profits. Places like Brazil are only in a position to go into sugar cane by-products because their cost of production is nowhere near the \$100 and \$115 a tonne as pertain in Barbados, but is nearer to \$30 and \$40. We, therefore, Mr. Speaker, have to give very serious consideration to this question, by what measures are the sugar costs going to be brought under control, if we are going to speak over the long term in terms of a continued sugar industry, and if we are to speak also in terms of going

into sugar cane by-products as ancillary linkage activities in this country?

There have been studies done which suggest that there are very fundamental structural problems in the sugar industry that add to the cost of the industry. Barbados is divided, for sugar cane production purposes, in a number of ecological zones and you would expect the per unit cost of production in the best ecological zones to be lower than those in places like St. Philip and St. Lucy. I have seen a study done, a regression analysis, of the relationship between production costs in the sugar industry and ecological zones, and ecological zones do not explain differences in cost. You have, for example, Sir, an amazing situation where an estate in a bad ecological zone like Foursquare had far better production per unit production cost than some in areas where you would think that the per unit cost of production should be lower. It comes down to the question as to whether we will continue to use archaic systems of production of sugar cane or want to move away from that particular sad example and experience.

It is clear that in 1987 the sugar industry is going to have an ease. The ease results from the weakness of the United States dollar against the European currencies and the consequential increase in the sugar price that the sugar industry receives from the EEC. The point I am making is that we might be lulled - and I speak not so much in terms of "we" in the House - into believing that the temporary situation which exists as regards the price cost ratio in sugar, merely because of an exchange rate variation, provides a ground for comfort in the industry. I am saying, Sir, that the industry still has a basic structural problem, that given management relationship, given what is called the social relations of production, you have a situation existing in Barbados where there is superstructure that no longer bears a relationship to modern industrial practice. It all adds to cost, and it seems to me that if we are going to address the question of the cost of the sugar industry, we can no longer disengage the whole question of cost from the question of superstructure.

(*Aside:* Hon. B. A. TAITT: When I said that Tom Adams said I do not like white people.)

Mr. O. S. ARTHUR: Which is true, but that is not the point

Laughter.

Mr. O. S. ARTHUR: The honourable Member for St. Michael West is in a mood to be playful. I am not in a mood to be playful. We have a serious situation on our hands, that there is a temporary ease which can camouflage a long-term problem.

I have gone on record in this House on more than one occasion in saying - before elections - that I would never put a subsidy for the sugar industry on-Budget. I do not believe it, so I do not now have to develop new thoughts where the sugar industry is concerned. All of my speeches on sugar have always referred to the control of cost, and we are now reaching a position where a sense of complacency may be setting in because of a temporary hike in the price of sugar.

Aside.

Mr. O. S. ARTHUR: When I was saying that I would not give a price support on Budget, the people over there were saying they would give \$78 million.

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, I want to move on to other matters. The Honourable Minister of Agriculture used the opportunity of today's debate to touch, far too glowingly, in my view, Sir, on what is happening as regards the agricultural diversification programme of this country. I am now satisfied that absolutely nothing has been done to give effect to the provisions of the 1985 price support mechanism, which would have made diversification not a voluntary thing, but a mandatory condition for the receipt of loans.

The production of almost every commodity in this country has been falling, and falling dramatically, and we are in a very unfortunate position today when we are going back into the situation of having to import vegetables again in Barbados. Even as I speak, there are shipments, large tonnages, of imported cucumbers at the airport, melons and cabbages. We are importing these things into Barbados again, to say nothing about cauliflower, and it is not a temporary situation.

If you were to use the ADC, for example, the ADC was not only producing the ordinary melons that we have been accustomed to in the past, but they had gone into the production of things like tandew melons because there was an export market for them in Canada.

When I was the Chairman of the Agricultural Development Corporation, we got assistance from the FAO to tap the waters running through Bath Plantation, and drive it by gravity to use the lands next to the Earth Station to produce vegetables for the winter market. It was a cost effective project that elicited immediate international support, because there was no energy cost at all attached to the project. Today, that project to use the Bath water to produce vegetables for the winter market has died. 3.40p.m.

We have gone virtually out of production of melons, both traditional and non-traditional. The question as to why, Sir, Barbados has today to be importing cabbages in large quantities is a question which the Minister must seriously address.

The problems with the cotton industry are, of course, very profound. He would know that at least 300 acres of cotton were planted in his constituency at River. If we are going to reap even 20 acres of that cotton, we would reap a lot. But it is not only true at River. He would know of the experience at Wildey, where the ADC planted, then had to go and plant again, and when they had them planted twice, Sir, had to plough in what had been planted.

He would also know that a large pan of the problem has to do with the recurrence of a problem that occurred last year and which we had thought had been put behind us, the problem of the quality of the seeds distributed by the Ministry of Agriculture. The problem in the cotton industry that is plaguing not only the ADC, but the country as a whole, has not only to do with the weather as the Government would want to purport, but it has to do with the fact that the Ministry of Agriculture assumed the responsibility for the preparation and distribution of seeds, and last year ran into a major problem with them leading to bad germination and increased cost. People tried to put in place a system, Mr. Speaker, to let other persons become involved in it, but the Ministry has decided to hold on to the responsibility, and whereas we had thought that the problem of poor germination in cotton was a problem of the past, we have it again with us in even greater detail.

I am stressing the point, Sir, because the notion of a 20 million pound cotton industry and a highly integrated cotton industry, going from the growing of cotton through to the processing and the production of cotton garments, is something that has been put by Government as being integral not only to agricultural policy, but also to its industrial policy. It is clear to me that that whole policy is going to be frustrated because no serious attempt has been made to manage the primary production of cotton in this country, in the first case. There is no point, Sir, our even beginning to faintly believe that you can move to a large scale integrated cotton processing industry in this country if we cannot solve the basic problem of primary production. I am charging, Mr. Speaker, that a large part of the problems of managing primary production of cotton in this country can be laid very squarely at the feet of the Ministry of Agriculture and its officials. I want to know, Sir, what steps the Ministry of Agriculture will take to make sure that the problem that has plagued the industry, not only this year but last year, will not occur in years to come.

If there is a potential for having an integrated cotton industry in this country, in collaboration with other Caribbean countries, it is the kind of economic opportunity that people should jump at. It becomes, Mr. Speaker, a real economic activity that is based on the very finest principles, the linkage between sectors as well as the linkage between small countries in the region. It is the kind of activity, Sir, that one can heartily support. But it will fail if the first hurdle is not cleared, the sheer hurdle of being able to produce the cotton, and produce it efficiently and effectively. I really want to hear, if we are going to be moving in a serious way towards getting people to commit themselves to make continued investment to cotton production, what are the Ministry's plans and programmes to pre-empt the recurrence of the snags that have occurred over the past two years because of ministerial inefficiencies.

The production of cotton in Barbados poses problems even under the best of circumstances, of which the Ministry is aware. We are not to underestimate the difficulties that would be incurred even if we were to get the programme going as efficiently as one would wish it to go. Growing cotton in Barbados on a large scale is a difficult exercise. But when you add to normal difficulties man-made bungling, then any substantial investment in cotton in this country is going to cause people a lot of money and a lot of frustration. Therefore, Sir, we welcome the opportunity that the Minister of Agriculture has provided, in talking about his plans for diversification, to begin to press for answers as to where the cotton industry is going. We are unhappy with where it is now.

This year, if we are lucky, we will be able to salvage less than one half of the acreage planted. That is only if we are lucky. That is a lot of money wasted. At least \$1 200 an acre goes under.

Aside.

Mr. O. S. ARTHUR : No, I think he has a difficulty. The truth of the matter is that if you planted 5 000 acres and you get an output of 2 500, you are lucky. In some instances, as he knows in the case of ADC, you will be able to get that output only after you have planted twice. And in some instances, you plant twice and have to eventually plough in what was planted.

A large part of it is because of the poor quality of the seeds, which he knows about, last year. It was brought to the attention. The Ministry treated the seeds badly last year and that led to poor germination. People spending \$1 000-odd an acre to plant had to plant again, that is \$2 000 an acre for the same crop. When you let that happen from year to year, you are asking people to sink a lot of money in an activity which could be profitable, but which, given the

existing arrangements which govern production, is not what is desirable.

(Aside: Hon. B. M. TAJTT: Poor management or sabotage?)

Mr. O. S. ARTHUR: The honourable Member for St. Michael West is asking me whether it is poor management or sabotage. I leave it for him to ask that of his colleague.

Certain remarks made at this stage by the honourable Member for St. Michael West (Hon. B. M. Taitt) in an aside and certain remarks made by the honourable Member for St. Peter (Mr. O. S. Arthur) in his speech were ordered to be expunged from the record by Mr. Speaker.

Mr. O. S. ARTHUR: What is he troubling me for?

Mr. SPEAKER: I think the honourable Member should try to avoid the interruptions.

Mr. O. S. ARTHUR: Mr. Speaker, it is my information at this time that the diversification programme, of which so much is made, is going nowhere whatsoever, and the pity in the situation, Mr. Speaker, is that the mechanism which could have made this mandatory was open to the Minister of Agriculture, and one gets the feeling that the Ministry of Agriculture has not been following through. It is, therefore, very nice for the Minister of Finance to come to the House and tell us about how vital sugar is and things of this character. We recognize, Mr. Speaker, that the sugar industry has a role to play in agriculture in this country, and that, in many respects, it is still the commodity best suited to our ecological conditions. But to say that is not to establish the conditions under which we will take advantage of the opportunities that sugar presents, both grown as a crop in its own right and grown as a crop to form the core of an agricultural diversification programme. 3.50 p.m.

We, therefore, Sir, to conclude, are very disappointed - very, very disappointed - that this price support guarantee for the 1986 crop has been brought to the House in 1988. It establishes very clearly that somebody is not on the ball. The final price for the sugar cane ought to have been paid out by December 15, 1986. If you are asking people to plan production based upon complete uncertainty as to what price they are going to receive, you are going to be increasing the degree of uncertainty in the sector as a whole. It is unsatisfactory that we are having to guarantee this at this time, and I am making the point that the 1986 price support to the sugar industry could be of no operational effect to growers if you give them in 1988, because the time they would have needed it was in

December 1986 - you make the final payment to the growers and allow people to know what kind of immediate future they should plan for. This type of inefficiency, Mr. Speaker, has to be condemned by the House, and I want to know the circumstances which have put us in this regrettable position today of having to do in 1988 what we should have done by December 1986.

I want, most of all, to find out what are the terms at the level of the grower that surrounds this particular measure. The Addendum implies that loans will be extended at the level of each grower and that there will be a capacity to convert loans into grants. I want to know, therefore, what the terms are beyond the broad statement of policy that the industry will give an assurance as to 90 000 tonnes, and I am totally dissatisfied, Mr. Speaker, that the sugar industry is not yet in a position to honour the informational requirements of the Sugar Industry Act.

I am obliged to you, Sir.

Applause.

Dr. R. C. HAYNES (St. Michael South Central): Mr. Speaker, debates on the financing of the sugar industry in Barbados have a particular fascination for me, in the sense that in watching the evolution of these debates between 1978 and 1988, one has seen remarkable shifts of positions by various persons in this House.

It would seem to me, Sir, looking over the period, that two things have happened. Firstly, in the brighter days of sugar leading up to 1980, the debates degenerated to a matter of, let us say, recriminations as to under whose regimes most sugar fires took place and things like that.

With the crisis in 1981, which, in fact, threatened the financial stability of this country when we had a remarkable shortfall in sugar production - I think it was some 80 000 tonnes or 85 000 tonnes - and the dramatic fall in world prices, compounded with a very rapid appreciation of the U.S. dollar against other currencies, particularly the currencies in which we are paid for sugar in Europe and the United Kingdom, the net effect of that was a tremendous drop in our earnings from sugar in that particular year, along with a series of matters that took place at unit production level, particularly in the area of soil compaction, that effected the 1982 crop.

It was out of this very difficult situation that other matters arose, because up to that time, a policy pursued, which I had opposed for many years, largely because of the impact on the balance of payments of the country, was the extent to which the sugar industry was financed through Central Bank's accommodation. You had a confluence of factors in 1981 that brought into very sharp focus that the

sugar industry was not only critical to Barbados, but that the financing of the sugar industry raised matters not only at the internal level in terms of the viability of the units of production within the industry, but also had potentially serious effects on our balance of payments.

I think that what we have heard here today from the honourable Member for St. Peter (Mr. O. S. Arthur) is really an attempt to seek clarification as to whether the solutions which the Administration, of which he was a part of that time, have been put in place and how effective they are. But it is important to look back and see exactly what happened, and the first error really was in the area of Central Bank financing.

The second major area that made the sugar industry no longer a private industry, but a public industry, was, I will say, very serious incompetence on the part of the early management of the Barbados National Bank, which allowed all the other commercial banks in Barbados to offload almost all the indebtedness of the sugar industry on the public banking system. The banks that made fortunes over the years, today have little or no outstanding liabilities. By the time that it became necessary to seek legislative order, from a financial point of view, in the system, it was not only at that point a matter of correcting faults in the industry, but a matter of defending the integrity of the Barbados National Bank, whose assets and liabilities are guaranteed by the taxpayers of this country and which, in fact, constitute as much a contingent liability, probably to the extent of \$300 million to \$400 million, if you look at its global assets, as much as the smaller amounts which we raised by means of the sugar support.

When the Sugar Bills were parsed in this House, we had very extensive debates, when several suggestions were put from this side that the time had come to tie sugar support not only with the diversification programme for agriculture in Barbados, but also for a diversification of the end product of sugar production, they were, to say the very least, pooh-poohed as not being right. So I am very pleased to hear today that the Opposition has seen the light, and whatever is that diversification of the end product, nevertheless I think it is necessary to enhance the value added in terms of our sugar production, which is still substantial, not only in terms of jobs and foreign exchange, but also in the wider linkages within the economy. That value added can be increased by diversification if we were to expand and diversify the end product of our sugar production.

On sugar production, Sir, I would like to say two things. I think that another mistake that was made in the early years, 1981-1982, was to set the target of production at 150 000 tonnes initially and then to scale it down to

135 000 tonnes. There can be no doubt whatsoever that now that we have produced roughly enough sugar which can be sold externally in our protected markets and reach the best possible price, there has been a substantial improvement in the financial position of the sugar industry of this country. 4.00 p.m.

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It is true to say that it has been enhanced this year because of favourable exchange rates. I think it would be appropriate, however, to congratulate the managers of the sugar industry for some very clever marketing of sugar last year, because although there was a fall off in production - which I think was a wise policy being followed by the Government, which has been expanded on on several occasions on the floor of this House - by not selling all the sugar from the previous year at adverse exchange rates and on the world market, they were able to sell even more sugar than they produced last year in the preferential markets and gain from the exchange rates, apart from the better prices, although I would agree that it is important to recognize that you cannot base a policy on the vagaries of exchange rate changes and we need to look very much more carefully, that that should be excluded from the gains that you make when you really analyse what is happening in the sugar industry.

In an industry that has come under very heavy criticism over the years, I think that when they have done something like clever marketing in a year, that is important I must say that there was very close co-operation between the Ministry of Finance in that marketing effort and the various forecasts by the Central Bank in relation to the probability - I put it no higher than that - as to the movements of exchange rates. So the shipping was well organized, and by the time the sugar reached the other end, when the quotations were made, almost on every occasion they were on the right side of the exchange rate cycle that operated within the 12 month period.

I think, Sir, that it is important to recognise that when we come to the House with Resolutions of this nature, again we are as much protecting the industry as we are protecting the Barbados National Bank. When this \$21 million is raised and made available, by far the greatest proportion of this will flow right back to the National Bank, which, of course, would have had to have done the interim financing to keep the industry going particularly as the Resolution comes so long after the particular transactions would have taken place. Therefore, the National Bank's cash flow position would have been improved.

I think, Sir - and I have been giving a lot of thought to this over the years - that the time has come where apart from the concept of producing a specific amount of sugar, which would form the core of our agricultural diversification programme and respond to the demands

which are set virtually by the ecological constraints within the country, we have to take another important step in terms of the twin objective of enhancing the viability of our agricultural sector and maintaining the stability of our National Bank. The bank, I think, Sir, under very careful management over the past two years, will probably make some \$6 million in profit or thereabouts, and therefore will have restored the lost equity over the years, but no more than that. It would not have generated any surpluses for charity.

One particular aspect of the bank's portfolio is that very extensive agricultural portfolio which it holds, and I believe that one of the programmes certainly that I was very keen on, and looking towards, is the possibility of converting all those agricultural loans to 30-50-year loans at the lowest possible interest rate. But that, too, would be linked to strict conditionalities. What it would be doing is enhancing the provisions already made within the Sugar Act.

Indeed, the call for conforming to the informational requirements is absolutely essential, because when we guarantee funds in this country, it is important that those people who are recipients of those guaranteed funds recognize that it is not the Ministry of Finance, or it is not the Ministry of Agriculture, that will be putting pressure on them to conform to the informational requirements, it is the Parliament of Barbados that has imposed that condition. As far as I am "aware, those conditions certainly have never been fulfilled, and successive Ministers of Finance have found themselves in the very embarrassing position where they had to approve of guarantees to get the next crop rolling, to make sure that workers are paid, to make sure that the country earns the foreign exchange, without the precise compliance. I think a major effort has to be made to establish an accounting system within the industry which recognises that it is a mandatory requirement to do so.

None of us in public life, I think, who has supported these guarantees down the years can come to Parliament and say that we did not really mean what we said or what we voted for, so it is a very important thing, and I think the appropriate signal that should go out from this debate is that if we are to continue to give support to the sugar industry, at least they should make an effort, despite the problems and whatever influences there may be in other directions, to conform to the requirements of the Act.

When I talk about further conditionalities if those loans are converted into long term loans, those conditionalities, I think, should also relate to functional improvement at the level of unit of production, that is, the only recipients of a generous extension of a loan over 30-50 years, whatever it may be, at low interest rates, will be those estates and those sections of agriculture which

demonstrate to the banking system and to the Ministry of Agriculture that they are capable of generating adequate development plans for their estates. I think that this should be an important supplementary to what is already made available in terms, of financing for the sugar industry.

I think it is critical, Sir, for this reason. There are many estates in Barbados whose indebtedness is such that really what they are working for is just simply to repay arrears of interest, and they have hardly been able to catch up with the interest over the years. They depend either by way of grant, subsidy or other provisions, to survive. If a bright young fanner is out there with 100 acres, and he finds himself with a level of debt where he knows that for the next 30 years the interest charges will wipe out any profit that he has made and that he will not be able to touch that principle, and that when he is passed to the Great Beyond that estate then becomes the property of whoever holds the mortgage of the estate, it is very difficult to get that person to comply with all of the things you are asking him to comply with, because you are actually asking him to work for nothing. 4.10p.m.

I think that an important supplemental financial measure that can be taken when we look down towards agriculture over the next 15, 20 years would be to look towards spreading out those loans over a number of years. This would also have the effect of strengthening the balance sheets of the Barbados National Bank on the one hand, and secondly, with an upgraded agricultural division within the context of the Barbados National Bank, you would be able, hopefully, over the years, to attract sufficient long-term funds for agricultural development, either on the domestic or on the external market, depending on what the general needs of the country would be at the time. That kind of cleaning up of the portfolio, relieving the burden on those forward-looking farmers, who are capable of developing farming plants to contribute to the overall national wealth, would be significantly enhanced if that kind of long-term financing were available.

In fact, our public banking system really has no alternative, and we have to come up with a financial system that addresses both, since the industry and the bank are both contingent liabilities as far as the Consolidated Fund is concerned. This has become a reality in the past in respect of the National Bank where we had to come here and borrow additional funds to replace lost equity. This has been done apart from amending the Banking Act to exempt the National Bank from the provisions of the general Banking Act to allow it to lend out all of its equity without any reserves. That was only a first step towards, in fact, providing what had to be done in subsequent years, namely, a supplement to the equity of the Barbados National Bank.

On the issue of compliance, I do not think that there should be any reneging on that I think that maximum pressure should be brought to ensure that that is done. It is important for a variety of reasons. It is critical for financial planning, and I think the additional message that we need to send from the floor of the House to the industry is that if the banking system and the Ministry of Agriculture have the correct information in relation to the division of cost at estate level, then they are in a better position to be able to help the industry, as those who are dedicated to agriculture in this country would like to see happen from the public side. Unless that kind of information is forthcoming, it creates problems at all levels, and I think that we should stress compliance, particularly in relation to timely submission of accounts not only to Government for the purposes of this kind of bond raising, but also in an orderly manner to the Barbados National Bank so that the bank can take decisions that are informed on the basis of balance sheets and financial information as to the level of lending. Apart from the levels of lending, if at any time the Government should decide to seek long-term financing to strengthen the developmental effort within the sugar industry through the National Bank, any lending agency would be able to examine and inspect the records of the bank and of the industry and come to an informed position that there is effective control within the financing system for the industry.

On the interest payments and the capital repayments for these loans, certainly when the original price support was raised here, I remember that there were increases in the price of domestic sugar on more than one occasion, and it was those price increases which were supposed to develop sufficient funds to meet the servicing of these loans over time. I do not know what would have happened in that situation.

If we are to be realistic, we have to face the fact that we have a sugar industry in Barbados which is still a major contributor to the national well-being of Barbados. It is the most secure linkage between agriculture and industry and, in fact, it is an agro-industrial development. In terms of skills and expertise, it is by far the most mature industry. In terms of value added, unlike other manufacturing, whether it be the electronics sector or elsewhere, because so much of the inputs in the sugar industry is derived locally, the value added to Barbados is greater than in any other form of manufacturing.

It is important to remember that although your foreign exchange from sugar may be only \$70 million or \$80 million in a given year, that is largely net. It is not totally so, because of mechanization, of course, over the years. In the last 20 years, because of mechanization there is a larger import content into the export earnings of sugar. But,

nevertheless, it is far higher than any other form of manufacturing, and, therefore, the \$70 million is probably worth several hundred million dollars in terms of other forms of manufacturing. I am talking of gross sales.

It is not understood, and it is one of the things that we must understand, that while the sugar industry earns foreign exchange and probably, directly and indirectly, generates 8 000 jobs in Barbados, if you take a manufacturing concern, let us say we were lucky enough to get a manufacturing concern tomorrow that was exporting \$200 million in electronic items, the foreign exchange earnings on that might only be \$30 million or \$40 million, or probably less, because you have to import probably \$160 million or \$170 million worth of inputs to export \$200 million. The major value of such an industry would be the employment generated locally as a result of that type of activity - I hope I am not misunderstood - and that is why you see that when you look at the trade figures and you see that manufacturing exports have fallen by \$300 million, yet Barbados is surviving. The reason is very simple, that the net loss in foreign exchange represents a very small percentage of the \$300 million. What we would have lost, very significantly, of course, is in terms of jobs. 4.20 p.m.

I think in the past two or three years, without the usual kind of emotional trauma that often goes on in sugar debates in Parliament, the case has been made out for the sugar industry on sound terms. We have heard ecological arguments. I do not think there are any longer any doubt about that. It took a former Minister of Finance seven years to recognize that Barbados was a forest, and that if you had half acre or an acre of land and you started working it yourself, particularly when the rain was falling, like during the last six months or so, by the time you start at one end and get to the other end, the grass is as tall as when you left the other end.

Mr. SPEAKER: The honourable Member has one minute more.

Dr. R. C. HAYNES: Since we recognize the critical ecological importance, the critical economic importance of jobs, the importance in relation to the commercial and the distributive sectors of Barbados, the importance to the small farmers and villagers throughout Barbados, let us all take the kind of enlightened position, which I have sought to establish in Opposition and now on the back benches, and give the sugar industry the kind of support that it deserves.

Hon. L. E. SANDIFORD: I will be very brief, Mr. Speaker, in winding up this debate. The Member for St. Peter (Mr. O. S. ARTHUR) is dissatisfied about a number of matters. He states that he is the author of the 1985 support programme.

Aside.

Hon. L. E. SANDIFORD: You did not say that? I thought you said you personally supervised it and made sure that all of these different programmes were in place, and that they were tied in, diversification and all such matters.

Mr. Speaker, one point related to the Sinking Fund. The honourable Member for St. Peter wanted to know what the arrangements for this Sinking Fund were, and whether it could pay the interest and also defray the bonds when they became due. I have searched very carefully and can find no specific programme in the 1985 support scheme that the Member for St. Peter is talking about.

The programme was introduced in 1982, and every year since then there has been a renewal of the programme, with some modifications and changes. But, for sure, there were no significant changes, modifications or amendments to the way in which the Sinking Fund was supposed to operate.

(*Aside:* Mr. O. S. ARTHUR: How was it supposed to operate?)

(*Aside:* You should know. You were the author.)

Mr. SPEAKER: I listened to the Honourable Member for St. Peter in silence and I would like him to do likewise.

Hon. L. E. SANDIFORD: In spite of the statements of the Member for St. Peter, I cannot find where these proposals for the Sinking Fund are. What I can find is his proposals for strengthening the Sinking Fund, augmenting it by way of increasing the price of sugar in Barbados. That is the only programme the Member had for the Sinking Fund.

The honourable Member for St. Peter rose.

Mr. SPEAKER: On what has the honourable Member risen?

Mr. O. S. ARTHUR: On a point of order, Sir. The Honourable Prime Minister is deliberately trying to mislead the House. The Honourable Prime Minister, Sir, will know that I had nothing to do with the arrangements under which in this programme, before 1985, the Sinking Fund for the price support was replenished by increases in the price of domestic sugar. There was nothing in the 1985 price support that referred to any price of domestic sugar.

I stand on the point, Sir, that I supervised the preparation of the price support for 1985. But he must know that the arrangements regarding the use of domestic price

increases for building the Sinking Fund was an arrangement that was with the programme from the very start. He must therefore give authorship where it is due.

Hon. L. E. SANDIFORD: That is exactly what I am saying. You are talking about since 1985 you left in place proposals for dealing with the Sinking Fund, the redemption of bonds and the payment of interest and so on, and what happened after that. That was the gravamen of your particular proposition. This Chamber was led to believe that you left some particular programme there that was taking care of payment of interest, redemption of bonds and so on. I am saying we can find nothing.

I can find your words on this. I quote from the debates of this Honourable Chamber, November 5, 1985 on page 2962

"I would give the honourable Member for St. Philip North the assurance that the adequacy of the Sinking Fund for the redemption of the bonds was given the greatest and the most comprehensive study, and that we have found that with the very, very modest increases in the domestic price of sugar" ----

He just said nothing about domestic price of sugar, you know!

"... between now and 1991, when all the bonds are to be redeemed ----

Mr. O. S. ARTHUR: On a point of order, Sir: From the very inception of this programme, there were certain arrangements built into the price support. The House agreed to this before 1985.

What was built into the programme, Sir, was that there would be a five percent increase in the domestic price of sugar in every two years, and for that to be put in a Sinking Fund to redeem the bonds.

If you come to the House now, Sir, and you have to borrow money to put into the Sinking Fund, the question arises that given that you have had that existing policy where from 1980, when we first came into the House, that was agreed - that the bonds would be redeemed through that five percent increase - that is the existing policy that has always been in vogue - why is there now the necessity to attach to this particular support \$3 million for the Sinking Fund?

Mr. SPEAKER: There is no need for a speech at this time. You have made your speech already. 4.30 p.m.

Hon. L. E. SANDIFORD: I believe the Member for St. Peter, as one of the authors and supporters of this

particular programme, finds himself in a position where he cannot argue against the principle of support for the industry by the issue of bonds, but has to give the impression that there are some aspects of this programme that you must find criticisms about, when, in fact, every year since 1982 there have been bonds. Nothing is happening in 1988 that had not happened in previous years, so I cannot understand really the nature of your intervention here today.

The programme for this particular issue of the bonds is in line and accordance with what has been happening before. They have had bonds issued since 1982 and there is no difference in the situation. There have been conversions from loans to grants. In this case, because the Sinking Fund set up by the Barbados Labour Party Government - I would not say you - is proving, like most other things set up by that Government, to be inadequate to deal with the problem of the redemption of the bonds, there is need from time to time to make new injections of funds.

Asides.

Hon. L. E. SANDIFORD: There is need because of the build up over the years of this particular matter to make an injection. Like everything else, we will have to deal with ^ that. It is one of the unsolved problems that you have left for us.

Asides.

Hon. L. E. SANDIFORD: Do you mean it was solved? Sometimes I despair of your logic.

The second point that was made related to something about diversification. Sometimes you get people who come to this House and use words as though some new dispensation has been given. "Diversification" is not a new word, it has been around for a long time. The very onion industry was diversification, peanuts was diversification, the poultry industry - all of them coming up in the 1960s as ^ industries. Cotton - diversification. But sometimes we take these words and use them as though there is some new policy or approach that we are identifying. I would really wish that Members get a perspective on development and on future developments for the country, but let us not try to give the impression that, somehow or another, things have been at a standstill. That is what I heard.

Asides.

Hon. L. E. SANDIFORD: Okay, there has been disorder.

They talked about complying.

Asides.

Hon. L. E. SANDIFORD: Did you not say that? But that was exactly what was said in 1985 - compliance with the Sugar Industry Act. If you put a requirement for BSIL, or you emphasize and set up a system for that to make it happen, that is the system they are working on. The Minister of Agriculture comes and tells me that he finds it difficult, the Barbados National Bank say they cannot give information on a timely basis, or maybe at all. That is because of the traditions in the industry that you have to work with to try to get the necessary informational base. There are committees that are supposed to be meeting, but have not met, to work out the particular programme. This has not just started, this has been going on for some time, so the efforts have to be made.

One thing is sure, we have got to work for the improvement of the sugar industry. We have got to continue our efforts at diversification. But we cannot get up and give the impression that the whole arrangements for sugar, for development in agriculture, for diversification, somehow or another were all in place in 1985 not before 1985 and since 1985 nothing has happened. I think that is surely misleading the House.

The policy for the Sinking Fund, which the Member for St. Peter said he found and which he was happy to endorse, was that between 1985 and 1991 that there should be increases in the price of sugar as a means of redeeming the bonds. In other words, over those years, as he sees it, the consumers in this country - that is the policy of the Barbados Labour Party - must continue to underwrite the sugar industry in Barbados through these increases

Asides.

Mr. SPEAKER: May I inform Members that there is Standing Order No. 32 - Interruptions:

"No Member may interrupt another Member except -

- (a) by rising to a point of order or
- (b) to elucidate some matter."

Asides are not part of the Standing Orders. They may be part of what we allow, but the Standing Orders say "No Member may interrupt another Member."

Further, to that there is also a way to deal with a Member who persistently interrupts another Member, and I shall not hesitate to use that right.

Please continue.

Hon. L. E. SANDIFORD: That is understandable, Sir. I sat readily to give him the opportunity to interrupt. 4.40 p.m.

Mr. SPEAKER: I will ask the Honourable Prime Minister to continue.

Hon. L. E. SANDIFORD: Yes, Sir.

Laughter.

Hon. L. E. SANDIFORD: I believe the honourable Member is irked because we have found his words and found where he has enunciated the policy of his party and his Government, when it was in power, that they had proposed dealing with the redemption of these bonds and the paying of interest by means of regular increases in the price of sugar, even though on the world market there would be no justification for the increase in the prices of local domestic sugar. We are saying now that we will have to find another method of dealing with this. The Minister of Agriculture is sitting right here beside me, and we do not believe that this is how the sugar industry should be financed, out of increases. It has to be changed. We are not following blindly the policies that you have laid down for ever and ever. As soon as we get out of some of the straitjackets in which we have found ourselves, we will start to develop some creative policies for this and other sectors of the economy.

I do not think there was anything else, in spite of all the talk, that we have to reply to in this debate. There were a lot of words, but saying nothing except to establish that in 1985 the Member for St. Peter had an input on this particular matter. That is all to it

Thank you, Mr. Speaker.

The question that this Resolution do now pass was put and resolved in the affirmative without division.

Order No. 1 was called -To move the House into Committee of Supply to consider the grant of sums of money for the service of the island.

COMMITTEE OF SUPPLY

On the motion of Hon. B. M. TAITT, seconded by Hon. W. O. FRANKLIN, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. R. P. BYER in the Chair.

Mr. CHAIRMAN: -The House is in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1987-88, NO.
40-\$337 383

HEAD 73 - MINISTRY OF FINANCE -
\$337383

*Subhead 2 -Contributions to Domestic Development and
Financing Institutions*

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, this Resolution for the sum of \$337 383 is to supplement the Estimates, and it has become necessary because the amount provided under Head 73 - Subhead 2 - Object No. 29 - Investments - has proved to be inadequate for the purposes intended. A supplement of \$250 000 is required.

The purpose behind this particular request is to give effect to one of the Budgetary Proposals of 1987, that a Micro Business Window should be established in the Barbados Development Bank. The object of this was to provide short term and medium term financing for small businesses, and it was hoped that new businesses would be generated by this particular provision, and it was the intention that small businesses, and particularly businesses of the self-employed, would be generated by this particular provision!

I think it is an established fact that small businesses represent one of the important ways by which employment may be generated, and this particular provision certainly was intended to strengthen whatever other financing and supports may be available to stimulate the small business sector in Barbados.

There is also Subhead 6 - General Administration - Structures, this is a new provision, \$29 332, and this is to reimburse the Caribbean Development Bank for certain renovations carried out at the headquarters of that bank, which is the property of the Barbados Government, in relation to the restaurant facilities. 4.50 p.m.

At Subhead 8: Revenue Services, the sum of \$23 051 for Plant, Furniture, and Equipment and \$35 000 for Purchase of Vehicles, a total of \$58 051, is required.

The sum is for the provision of additional charges of electronic equipment, shelving and a fork lift to be used at one of the warehouses under the control of the ownership of the Government.

A building which was used, I believe by one of the other Government Departments, is now under the control of the Central Purchasing Department, if I have it correctly,

and that sum of money is used to provide a fork lift and to provide the shelving now used by the Customs.

I, therefore, beg to move, Sir, that Head 73 in the sum of \$337 383 stand part.

Hon. B. M. TAITT: I beg to second that.

The question that Head 73 stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1987-88
No. 41-\$745 863

HEAD 74 - MINISTRY OF AGRICULTURE, FOOD
AND FISHERIES - \$603 863

Hon. W. O. FRANKLIN (St. Philip North): Mr. Chairman, Head 74, Subhead 1 is Administration Complex, for which we are seeking a sum of \$31 000 under Professional Services.

Presently going on in the law courts in England is mitigation surrounding the Sea Island Cotton trade mark as a result of an American Company seeking to prevent the registration of the West Indies Sea Island trade mark in England.

The Resolution seeks a sum of \$51 000 to meet legal expenses in connection with the defence of the trade mark of the West Indies Sea Island Cotton Association in the Patents Courts of the United Kingdom.

During 1985, it was drawn to the Government's attention that the trade mark owned by the West Indies Sea Island Cotton Association had not been renewed in some jurisdictions, and there was a danger that the trade mark would become useless unless immediate action was taken.

The present position is that a firm in the United States of America has lodged an action in the United Kingdom Patents Court to have the trade mark removed from the British Registry. The firm, Tratex Limited, of 151 Park Avenue, New York, N.Y., is claiming that the mark conflicted with one which the firm owns. Tratex further claims that:

- (1) the owners of the West Indies Sea Island Cotton trade mark had gone out of business;
- (2) the mark had not been promoted in accordance with the terms of the United Kingdom registration;
- (3) the Sea Island Cotton lint is no longer processed in the United Kingdom;

- (4) the continued registration of the mark in the above-mentioned consideration is an impediment to Tratex business development in the United Kingdom.

The facts are that Tratex of the United States has been in the past trading under a trade mark and logo that are very similar to West Indies Sea Island Cotton. As a matter of fact, all the advertisements were intended to deceive that West Indies cotton was being used, and a large volume of business was generated by Tratex. Therefore, when he sought to enter into the English market to do marketing of his produce, which is actually made of Geyser 45 cotton - he has confessed that no Sea Island Cotton had been used in his garment - we sought to put the matter right

The Barbados Government and the West Indies Sea Island Cotton Association is being represented by an English firm in the courts. The matter is slated for hearing around the 27th of next month and we need these additional funds for the litigation.

It is absolutely important that we retain the West Indies Sea Island trade mark, because the trade mark on goods makes the difference between a good price and a very good price, as we recently observed on a visit to Japan. The cost of Sea Island cotton fabric is at least 70 per cent to 75 per cent above the cost of any other fabric, and it is tied up with the mystic surrounding Sea Island cotton which is known as the gem of the fibre.

Let me take this opportunity to respond to a statement made by the honourable Member for St. Peter (Mr. O. S. Arthur) during his earlier debate on the guarantee for the sugar industry. First of all, we are not thinking of a 20 million pound cotton industry in Barbados. We are looking at two million pounds of lint, and all the designs will be around that.

The difficulty that we had in 1987 with the lack of germination of the cotton seed was not due to anything connected with the Ministry in 1987. The cotton seeds for the 1987 crop were brought in from Antigua and, unfortunately, the seeds that were sent to us were the wrong seeds. The seeds were stored the same place they had seeds for cattle feed, and, unfortunately, we got the wrong seeds. As a result of that, we decided in 1988, and due to the fact that Antigua is doing very little now, that we would start to set up a facility to do the cotton seeds in Barbados for all times.

We did have some problems with the seeds this year, due to the fact that we were using a manual delinting system for the seed, in which we were using a proportion of acid which took the lint off the seeds, and, secondly, there was a problem with the storage of the seeds. We have

recognized the problem, and in this year's Budget is an item for, a mechanical delinter which will allow us to delint the seeds mechanically, and we have made provision and have improved the storage facility for the seeds. Therefore, we are fairly certain that with the next crop we would not have this problem.

We are the first to admit we have a problem, but with anything in agriculture you have problems, and we know what¹ the problems were this year. As I said, the seeds were brought in from Antigua in 1987. We have also set about this year to do further work on the selection of seeds, and we are very hopeful that we will not have the problem of germination in the 1989 crop that we have had this year and the year before. 5.00 p.m

Under Subhead 11 - the National Fruit Orchard, these funds, \$30 000, are required for the installation of the drip irrigation equipment, which is now in the island. The supplementary funds requested under the subhead are to meet the cost of installation of the drip irrigation at the Codrington Agricultural Station. The funds provided are inadequate because no provision was made for installation of the equipment, as it was envisaged that the Ministry's engineer would have effected installation. However, for the guarantee of the equipment to be binding, the suppliers must carry out the installation.

Under Subhead 14, there is a request for \$273 663 for Fisheries Research Development. The additional funds are required under this subhead to meet the Government's obligation under the terms of the agreement with the consultants, who are required to provide expert advice in respect of the institutional strengthening of the Fisheries Division.

The funds are to cover the cost and supply of equipment for handling, processing and cold storage, as well as fishing gear which will be used in the training of the fishermen. The balance of funds will be used to meet the consultants' fees as well as to provide fellowships for the counterpart staff. The Inter-American Development Bank is financing the project by means of a grant up to a maximum of US\$480 000.

Under Subhead 17 - Purchase of Equity, the \$249 200 is additional equity support for the Caribbean Food Corporation for 1985-86. It was agreed that Barbados should purchase additional shares in the Caribbean Food Corporation, to be paid in accordance with the Schedule of Additional Equity Shares. Barbados was allocated 337 shares at a cost of \$498 000 to be paid for over the years 1986-1991. Included in this sum was the sum of Bds\$187 000 which became due in 1985-1986. The sum of Bds\$62 220, representing the Government's contribution

for the year 1986-87, was provided for and paid. However, the amount of \$187 000 due at 1985-86 was inadvertently omitted. This amount is to cover the 1985-86 figure of \$187 000 and the 1987-88 figure of \$62 220.

Mr. Chairman, those amounts make up the sum \$552 863 requested under Head 74, Subhead 11, Subhead 14 and Subhead 17. I now beg to move that Head 74 do now pass.

Hon. M. A. KING: I beg to second that, Sir.

The question that Head 74 stand part was put and was resolved in the affirmative without division.

HEAD 75 - MINISTRY OF LEGAL AFFAIRS - \$90000

Hon. M. A. KING (Christ Church West Central): Mr. Chairman, under this Head the Ministry is seeking the sum of \$90 000 for the beginning of construction of the Airport Police Station. The one there is in a very dilapidated condition, and is clearly inadequate to provide the security requirements for a modern, international airport like the Grantley Adams Airport.

A token provision for constructing this station had been made in the Estimates under Head 70 - International Transport Division. Plans have actually been completed for the building, which is estimated to cost a total of \$340 000. It is proposed to begin construction in the current financial year and it is necessary to provide \$90 000 of those funds in this financial year. The balance of the funds will be provided for in the Capital Estimates for 1988-89, when it is hoped to complete work on this building.

Mr. Chairman, I beg to move that Head 75 stand part.

Hon. W. O. FRANKLIN: I beg to second that, Sir.

Hon. H. deB. FORDE (Christ Church West): Mr. Chairman, perhaps the Minister can now tell the Committee what police stations he intends to modernize or reconstruct during the coming years.

It was my understanding that the Police Force was divided on the necessity for having a full station at the airport. And from its operational perspective, Commissioners had envisaged that the airport station would have been serviced out of the Boarded Hall station or the Charles Rowe Bridge station and the Oistin Police Station. Could the Minister explain the reasons for the reversal in that policy which certainly was pursued up to a few years ago?

Secondly, can the Minister tell us what is the strength of the contingent which will be stationed at the Grantley Adams International Airport?

I recognize that the airport is still not an independent corporation, as the seaport is. I note that there is paid back into the Police Vote into the Treasury from the Port Authority approximately some \$350 000 for police services being rendered at that port by the Royal Barbados Police Force. Is it envisaged that the Government will be maintaining police services at the Bridgetown Port, or is it envisaged that the Port Authority would have its own security forces? If it is envisaged that we will continue providing police services to the Barbados Port Authority, is it intended to provide them as well with some form of station there?

I would really like to hear from the Government how many stations it wishes for the whole of Barbados to distribute the manpower of 1 200 people among those stations. What is the programme that it has for upgrading some of the worst stations, particularly the station at District D, which, in my view, should a long time ago have been retransferred to Welchman Hall. Land was acquired some years ago for this purpose? What is the current state of planning in relation to the Charles Rowe Bridge station, for which land has also been acquired? It was intended to close down the station at Boarded Hall and use that for a fire station. Is it intended to retain District C station where it is, or is it intended to have a modern station at Six Cross Roads? That, too, was originally one of the proposals for the Police Force.

Perhaps he can take the opportunity to expand on his development plan, and state whether or not he intends to follow through on some of the former development plans as outlined in earlier five' year plans for the police services.

Hon. M. A. KING: May I state at this stage quite generally, Mr. Chairman, in response to the questions raised by the honourable Member, that the Government will produce a development plan shortly which will include reference to a lot of the issues raised by the honourable Member. A full breakdown at this time of all the police stations to be dealt with, repaired and reconstructed, and a full schedule of the work to be done is perhaps a little inappropriate at this time. 5.10p.m.

Let us deal for instance with the Charles Rowe Bridge station at St. George. I have always felt that the need to do a complex for the Northern Division servicing Hometown and St. Peter area was perhaps a greater priority than proceeding with the Charles Rowe Bridge station immediately. So apart from the Airport Station, which we are presently embarking on, one of the earlier priorities of the Government will be to

ensure that headquarters for the Northern Division; including a complex of courts and other ancillary Government facilities, similar to what has been done at the Southern Division, is established.

Asides.

Hon. M. A. KING: Hometown. You prefer Ashton Hall but Hometown is a far more important centre.

Let me assure the honourable Member that the matter of the condition of the police station has been addressed, and there will be a gradual programme for maintenance, rehabilitation, repair and constructing new stations where possible. The Charles Rowe Bridge Station will be dealt with in due course, and so, hopefully, will be the St. Thomas one and all of them.

The honourable Member raised the question as to the complement of officers who will be at the Airport station. I was not all aware that there was too much of a difference of opinion as to the need for proceeding with the Airport police station. I have always felt that any police station to be constructed that the Hometown complex should have been the priority - I have always made that clear - even at the expense of the Airport station. Planning on this station has been fairly far advanced. The condition of the station was really terrible. It is incomprehensible how bad that station was.

You do need a ready availability of police officers near such an important centre as to the airport, and provision has been made in the accommodation for an Inspector, two Station Sergeants, four Sergeants, some 16 Constables. That would be the full complement of the officers who will be at that station.

I think Members would know the existing building at the airport is a very dilapidated timber structure infested with termites, and that it is totally unsuitable for use by anybody. It is a great security risk and entirely vulnerable to hurricanes. I was always given the impression that it was very desirable to proceed with work on this station as a priority.

The honourable Member raised other questions in relation to the court, District C, Six Roads, and a whole bunch of others. Those will be more appropriately covered when we are dealing with the overall Development Plan for the next few years.

The question that Head 75 stand part was put and resolved in the affirmative without division.

HEAD 77 - MINISTRY OF FOREIGN AFFAIRS -\$52000

Hon. M. A. KING (Christ Church West Central): Mr. Chairman, under Head 77, the sum of \$52 000 is required, Ministry of Transport and Works, for the purchase of a vehicle. Additional funds are required to cover replacement cost of the official vehicle of the Barbados Consulate in Toronto, which was in an accident and was completely written off.

Asides.

Hon. M. A. KING: No, no. The Minister of Foreign Affairs is not in this place, so once we are here, I deal with those areas.

The insurance monies have been recovered, but have been paid into the Treasury. The net amount which the Government really will have to pay is in the vicinity of \$21 000. I think the insurance recovered was in the area of US\$31000 in cash.

I beg to move that Head 77 stand part.

Hon. B. M. TATTT: I second that, Sir.

The question that Head 77 stand part was put and resolved in the affirmative without division.

SUPPLEMENTARY ESTIMATES 1987 - 88 No. 45 - \$638 500

HEAD 35 - MINISTRY OF FOREIGN AFFAIRS-\$638 500

Hon. M. A. KING (Christ Church West Central): Mr. Chairman, the sum of \$638 500 is required under this Head by the Ministry of Foreign Affairs, largely to supplement the requirements for Personal Emoluments in the sum of \$300 000; National Insurance, which is consequential on the personal emoluments requirements, \$30 000; Operating Expenses, \$250 000; and Professional Services in the sum of \$58 500.

There have been increases in the salaries and wages of the non-established staff and in the representation allowance to diplomatic staff in the missions which have been retroactive to April 1, 1986. This follows on the salary revision which took place in relation to public servants. 5.20 p.m.

In relation to the National Insurance contributions, there have been increases in the health insurance requirements in both New- York and Brussels, and the amount is required to meet that.

In relation to the \$250 000 for Operating Expenses, this is to cover the cost associated with the transfer of funds, the transport of diplomatic mail and increasing operating expenses generally at headquarters and abroad.

In relation to Object No. - Professional Services - \$58 500, this amount is required to pay solicitors in the United Kingdom for services rendered during the period 1984-1987. This is largely in respect, Mr. Chairman, of the cost incidental to the acquisition of the new headquarters for the mission in Russell Street in London, which began round about 1974. The solicitors have not been paid their fees. The bills were submitted quite late.

Mr. Chairman, I beg to move that Head 35 stand part

Hon. P. M. GREAVES: I beg to second that.

The question that Head 35 stand part was put and resolved in the affirmative without division.

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of

three money Resolutions in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Resolutions were read a first and second time and agreed to.

ADJOURNMENT -

Hon. P. M. GREAVES: Mr. Speaker, that concludes Government Business for today.

It is only left for me to move the adjournment, which I now move, until Tuesday, February 16, 1988 at 12 o'clock.

Hon. M. A. KING: I beg to second that

The question that the House stand adjourn until Tuesday, February 16 at 12 noon was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly. 5.26 p.m.

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 Central) SANDIFORD, Hon. L. E. (St. Michael South)
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